



महाराष्ट्र शासन राजपत्र

भाग दोन-संकीर्ण सूचना व जाहिराती

वर्ष २, अंक ३९]

गुरुवार ते बुधवार, सप्टेंबर २९-ऑक्टोबर ५, २०१६/आश्विन ७-१३, शके १९३८ [पृष्ठे २५०, किंमत : रुपये १५.००

प्राधिकृत प्रकाशन

संकीर्ण सूचना व जाहिराती

बृहन्मुंबई महानगरपालिका

जाहीर सूचना

क्रमांक संचालक (अभि. से. व प्र.)/१२८३/२

बृहन्मुंबई महानगरपालिका अधिनियम, १८८८ (आजतागायत सुधारित) च्या कलम २९७ (१) (ब) अन्वये खालीलप्रमाणे जाहीर सूचना देण्यात येत आहे.

बृहन्मुंबई महानगरपालिकेच्या 'आर/मध्य' विभागातील श्रीकृष्ण नगर येथील दहिसर नदीवर स्थित असलेल्या पुलाच्या रुंदीकरणामुळे बाधित होणाऱ्या १८.३० मी. (६०'-०") रुंदीच्या नियमित रेषा सुधारण्या करण्याबाबतचा प्रस्ताव (सोबतच्या नकाशात दाखविल्याप्रमाणे 'अ' ते 'ब' साठी) दिनांक २८ ऑक्टोबर २०१६ रोजीच्या महापालिकेच्या सभेमध्ये किंवा त्यानंतर जेव्हा केव्हा सदरहू प्रस्ताव निकालात काढता येईल अशा महापालिकेच्या सभेत मांडण्यात येईल.

उपरोक्त प्रवर्तनात असलेली १८.३० मी. (६०'-०") रुंदीच्या प्रस्तावित नियमित रेषा दर्शविणारा नकाशा क्र. काअवावस/उप/आरएल/१०८, दिनांक १८ मे २०१६, उप प्रमुख अभियंता (वाहतूक) अभियांत्रिकी केंद्र, तळ मजला, डॉ. ई. मोजेस रोड, वरळी, मुंबई ४०० ०१८ येथील कार्यालय व सहायक आयुक्त, 'आर/मध्य' विभाग, चंदावरकर रोड, बोरीवली (प.), मुंबई ४०० ०६६ येथे कार्यालयीन वेळेत निरीक्षणासाठी ठेवण्यात आला आहे.

ज्या कोणास उपरोक्त प्रस्तावित नियमित रेषेबाबत प्रतिवेदने/हरकती पाठवावयाच्या असतील त्यांनी त्या महानगरपालिकेच्या चिटणीसांच्या कार्यालयात संबंधित सभेच्या अगोदर ३ (तीन) संपूर्ण दिवसांपूर्वी प्राप्त होतील अशा प्रकारे पाठवाव्यात. कृपया त्यानंतर पाठविलेली प्रतिवेदने/हरकती विचारात घेतल्या जाणार नाहीत.

दिनांक २७ जून २०१६.

एल. एस. व्हटकर,
संचालक,
(अभियांत्रिकी सेवा व प्रकल्प).

MUNICIPAL CORPORATION OF GREATER MUMBAI

Public Notice

No. DIR/ES & P/1283/2

Pursuant to Section 297 (1) (b) of Mumbai Municipal Corporation Act as modified upto date. The undersigned proposed to apply to the Municipal Corporation at their meeting held on 28th October 2016 or on such a day thereafter as the said application can conveniently be disposed off for authority to the following proposal.

To realign 18.30 mt. (60' 0") wide Regular Line (Partly) for proposed widening of Shri Krishna Nagar bridge on Dahisar River, Borivali(E.) as 'A' to 'B' on accompanying plan at Borivali (E.) in R/Central Ward.

A plan No. EETC/Sub/RL/108, dated 18th May 2016 showing the proposed Regular line to be prescribed in substitution thereof aforesaid is deposited at the office of Deputy Chief Engineer (Traffic) of Municipal Corporation and can be inspected by any desiring to do so, at any time during office hours at this office at Engineering Hub Building, Ground Floor, Near Worli Naka, Dr. E. Moses Road, Mumbai 400 018 and also at the office of Asstt. Commissioner, R/Central Ward, Chandawarkar Road, Mumbai 400 066.

Every person desirous of making any representation of the Corporation or of bringing before the Corporation any objection in respect of the said proposal may do so by letter addressed to the Municipal Secretary at Mahapalika Head Office and deliver at the said office not less than three clear days before the day of such meeting.

Dated this 27th day of June, 2016.

L. S. VHATKAR,
Director,
(Engineering Services and Project).

झोपडपट्टी पुनर्वसन प्राधिकरण

अधिसूचना

क्रमांक झोपुप्रा/उजि/मुंश/३क/श्रीशिवबाग/२०१६/९०८

ज्याअर्थी, महाराष्ट्र झोपडपट्टी (सुधारणा, निर्मूलन व पुनर्विकास) अधिनियम, १९७१ चे कलम ३-ब च्या पोट-कलम (३) अनुसार झोपडपट्टी पुनर्वसन प्राधिकरणाने झोपडपट्टी पुनर्वसन योजना तयार करून दिनांक ९ एप्रिल १९९८ रोजी राजपत्रात प्रसिद्ध केली आहे ;

ज्याअर्थी, महाराष्ट्र झोपडपट्टी (सुधारणा, निर्मूलन व पुनर्विकास) अधिनियम, १९७१ चे कलम ३ (क), उप-कलम (१) अनुसार “झोपडपट्टी पुनर्वसन क्षेत्र” घोषित करण्याचे अधिकार मुख्य कार्यकारी अधिकारी यांना आहेत.

त्याअर्थी, उक्त कलम ३ (क) चे उप-कलम (१) मधील शक्तीचा वापर करून मी, खालीलप्रमाणे अनुसूचीमध्ये दर्शविलेले क्षेत्र “झोपडपट्टी पुनर्वसन क्षेत्र” म्हणून याद्वारे घोषित करीत आहे. सदरचे क्षेत्र बृहन्मुंबई विकास नियंत्रण नियमावली, १९९१ चे ३३(१०) अन्वये झोपडपट्टी पुनर्वसन योजना दाखल करण्यास पात्र आहे.

अनुसूची

अ. क्र.	गावाचे नांव व न.भू.क्र.	मिळकत पत्रिकेनुसार क्षेत्र (चौ.मी.)	“झोपडपट्टी पुनर्वसन क्षेत्र” म्हणून जाहीर केलेले क्षेत्र (चौ.मी.)	चतुःसीमा			
				पूर्व	पश्चिम	उत्तर	दक्षिण
(१)	(२)	(३)	(४)	(५)	(६)	(७)	(८)
१	परेल शिवडी डिक्कीजन सी. एस क्र. २०२ (पै)	२७७०४.२३	३०८८.०६	१/२०३	४१८	गोलनजी हिल रोड	आचार्य धोंडे मार्ग
२	१/२०३ (पै)	२२२४.०९	२८३.८७	२०९ २३९ (पै)	२०२	२०२	आचार्य धोंडे मार्ग
३	४२६ (पै)	१९७४१.५१	६७.८७	१/४३२, ४३२	जी. डी. आंबेकर मार्ग	४२७, १/४२७, १/४३१	गोलनजी हिल रोड, ४२५
४	४३२ (पै)	१२२१०.४३	३.५३	४३६, ४३७, ६५३, ६५४	१/४३१, ४२३, ६५५, ८६९, ८७०	जेरबाई वाडीया रोड	१/४३२
	१/४३२ (पै)		६७७.४०	८३८	४३३	४३२	गोलनजी हिल रोड
५	४३३ (पै)	१३२३.५९	७०८.४३	१/४३२	४२५	४२६	गोलनजी हिल रोड
६	४३४	२१९.९०	२१९.९०	४३५, २०२	गोलनजी हिल रोड, २०२	गोलनजी हिल रोड	२०२
७	४३५	३२५.२५	३२५.२५	२०२	गोलनजी हिल रोड, ४३४	गोलनजी हिल रोड	२०२
८	४३६ (पै)	३९०४.७१	१.५६	४३८	४३२	४३७ (पै)	४३८, ८३८
९	४३८ (पै)	२०२७०.६९	१९०.९६	४४०	४३६, ८३८	४३७ (पै)	गोलनजी हिल रोड
१०	८३८ (पै)	१०८१.६७	५९९.१२	४३८	१/४३२	४३६	२३९, (पै)

अनुसूची

(१)	(२)	(३)	(४)	(५)	(६)	(७)	(८)
११	गोलनजी हिल रोड		४६८.७५	८३८	४२५	१/४३२, ४३३	२०२, १/२०३, ४३५
	एकूण क्षेत्र	८९००६.०७	६६३४.७०				
		चौ. मी.	चौ. मी.				

प्रशासकीय इमारत, प्रा. अनंत काणेकर मार्ग,
बांद्रा (पूर्व), मुंबई ४०० ०५१.
दिनांक २१ सप्टेंबर २०१६.

विश्वास पाटील,
मुख्य कार्यकारी अधिकारी,
झोपडपट्टी पुनर्वसन प्राधिकरण.

SLUM REHABILITATION AUTHORITY NOTIFICATION

No. SRA/DY/City/3C/ShreeShivbag/2016/908

Whereas, the Slum Rehabilitation Authority has formed Slum Rehabilitation Scheme under the provision of section 3-B (3) of Maharashtra Slum Area (Improvement, Clearance and Redevelopment) Act, 1971 and published in *gazette* on 9th April 1998 ;

Whereas, in view of the provision of Section 3C (1) of the Maharashtra Slum Area (Improvement, Clearance and Redevelopment) Act, 1971 the Chief Executive Officer, Slum Rehabilitation Authority is empowered to declare any area as “Slum Rehabilitation Area”.

Therefore, in view of the said provision of section 3C (1) of the Maharashtra Slum Area (Improvement, Clearance and Redevelopment) Act, 1971. I, undersigned is hereby declare the area shown in schedule as “Slum Rehabilitation Area”. Now the said area is open to submit Scheme of Slum Rehabilitation as per Regulation 33(10) of Development Control Regulation, 1991 of Greater Mumbai.

Schedule

S. No.	Village & C. S. No.	Area as per Property Card (sq. mtr.)	Area declared as “Slum Rehabilitation on Area” (sq. mtr.)	Boundaries of S.R.			
				East	West	North	South
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1	Parel Shivadi Division C. S. No. 202 (pt)	27704.23	3088.06	1/203	418	Golanji Hill Road	Acharya Dhonde Marg
2	1/203 (pt)	2224.09	283.87	209, 239 (pt)	202	202, 1/432	Acharya Dhonde Marg

Schedule-Conclld

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
3	426 (pt)	19471.51	67.87	1/432, 432	J. D. Ambekar Marg	427, 1/427, 1/431	Golanji Hill Road, 425
4	432 (pt)	12210.43	3.53	436, 437, 653,654	1/431, 423, 655, 869, 870	Jerbai Wadiya Road	1/432
	1/432 (pt)		677.40	838	433	432	Golanji Hill Road
5	433 (pt)	1323.59	708.43	1/432	425	426	Golanji Hill Road
6	434	219.90	219.90	435, 202	Golanji Hill Road, 202	Golanji Hill Road	202
7	435	325.25	325.25	202	Golanji Hill Road, 434	Golanji Hill Road	202
8	436 (pt)	3904.71	1.56	438	432	437 (pt)	438, 838
9	438 (pt)	20270.69	190.96	440	436, 838	437 (pt)	Golanji Hill Road
10	838 (pt)	1081.67	599.12	438	1/432	436	239 (pt)
11	Golanji Hill Road		468.75	838	425	1/432, 433	202, 1/203, 435
Total Area		89006.07	6634.70				

Administrative Building,
Prof. Anant Kanekar Marg,
Bandra (E), Mumbai 400 051.
dated 21st September 2016 .

VISHWAS PATIL,
Chief Executive Officer,
Slum Rehabilitation Authority.

झोपडपट्टी पुनर्वसन प्राधिकरण

अधिसूचना

क्रमांक झोपुप्रा/उजि/३क/राघवेंद्र सह. गृह व इतर/२०१६/६३९

ज्याअर्थी, महाराष्ट्र झोपडपट्टी (सुधारणा, निर्मूलन आणि पुनर्विकास) अधिनियम, १९७१ चे कलम ३ब च्या पोट-कलम (३) अनुसार झोपडपट्टी पुनर्वसन प्राधिकरणाने झोपडपट्टी पुनर्वसन योजना तयार करून दिनांक ९ एप्रिल १९९८ रोजी राजपत्रात प्रसिद्ध केली आहे ;

ज्याअर्थी, महाराष्ट्र झोपडपट्टी (सुधारणा, निर्मूलन आणि पुनर्विकास) अधिनियम, १९७१ चे कलम ३ (क), उप-कलम (१) अनुसार “झोपडपट्टी पुनर्वसन क्षेत्र” घोषित करण्याचे अधिकार मुख्य कार्यकारी अधिकारी यांना आहेत.

त्याअर्थी, उक्त कलम ३ (क) चे उप-कलम (१) मधील शक्तीचा वापर करून मी, खालीलप्रमाणे अनुसूचीमध्ये दर्शविलेले क्षेत्र “झोपडपट्टी पुनर्वसन क्षेत्र” म्हणून याद्वारे घोषित करीत आहे. सदरचे क्षेत्र बृहन्मुंबई विकास नियंत्रण नियमावली, १९९१ चे नियम ३३(१०) अन्वये झोपडपट्टी पुनर्वसन योजना दाखल करण्यास पात्र आहे :-

अनुसूची

अ. क्र.	गावाचे नाव व न.भू.क्र.	मिळकत पत्रिकेनुसार क्षेत्र (चौ.मी.)	“झोपडपट्टी पुनर्वसन क्षेत्र” म्हणून जाहीर केलेले क्षेत्र (चौ.मी.)	चतुःसीमा			
				पूर्व	पश्चिम	उत्तर	दक्षिण
(१)	(२)	(३)	(४)	(५)	(६)	(७)	(८)
	मौजो ओशिवरा, तालुका अंधेरी			नभूक्र.	नभूक्र.	नभूक्र.	नभूक्र.
१	२१० (पै)	२६२८.३०	१५९६.२०	२०७, २११, २१७	२२९, २०० पै	२०९, २०८	२१८
२	२११	११०७.१०	११०७.१०	२१२, २०५, २१५	२१०	२०७	२१७
३	२१२	१९७.६०	१९७.६०	२१३, २१४	२११	२०५	२१५
४	२१४	१११.००	१११.००	२१५	२१२	२१३	२१५
५	२१५	९३८.९०	९३८.९०	४०२, ४०३	२११, २१४, २१७	२०५	२१६
६	२१६	३४०.२०	३४०.२०	३७८	२१७, २१८	२१५	३७७
७	२१७	१३३५.१०	१३३५.१०	२१५, २१६	२१८	२११	२१८
८	२१९	३८२६.४०	३८२६.४०	२२०, २२१, ३७६	२२४	२१८	२२२
९	२२१	१५६७.५०	१५६७.५०	३७४, ३७५	२१९	३७६, २२०	२२२
एकूण क्षेत्र		१२०५२.१०	११०२०.००				
		चौ. मी.	चौ. मी.				

प्रशासकीय इमारत, प्रा. अनंत काणेकर मार्ग,
बांद्रा (पूर्व), मुंबई ४०० ०५१,
दिनांक २३ सप्टेंबर २०१६.

विश्वास पाटील,
मुख्य कार्यकारी अधिकारी,
झोपडपट्टी पुनर्वसन प्राधिकरण.

SLUM REHABILITATION AUTHORITY

NOTIFICATION

No. SRA/DY.COLL/3C/Raghvendra CHS and Other/2016/639

Whereas, the Slum Rehabilitation Authority has formed Slum Rehabilitation Scheme under the provision of section 3B (3) of Maharashtra Slum Area (Improvement, Clearance and Redevelopment) Act, 1971 and published in *gazette* on 9th April 1998;

Whereas, in view of the provision of section 3C (1) of the Maharashtra Slum Area (Improvement, Clearance and Redevelopment) Act, 1971 the Chief Executive Officer, Slum Rehabilitation Authority is empowered to declare any area as "Slum Rehabilitation Area".

Therefore, in view of the said provision of section 3C (1) of the Maharashtra Slum Area (Improvement, Clearance and Redevelopment) Act, 1971. I, undersigned hereby declare the area shown in Schedule as "Slum Rehabilitation Area". Now the said area is open to submit scheme of slum rehabilitation as per regulation 33(10) of Development Control Regulation, 1991 of Greater Mumbai :—

Schedule

S. No.	Village and C.T.S. No.	Area as per Property Card (Sq. mtr.)	Area to be declared as "Slum Rehabilitation Area" (Sq. mtr.)	Boundaries			
				East	West	North	South
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
	Village Oshiwara, Taluka Andheri			CTS No.	CTS No.	CTS No.	CTS No.
1	210 pt	2628.30	1596.20	207, 211, 217	229, 200pt	209, 208	218
2	211	1107.10	1107.10	212, 205, 215	210	207	217
3	212	197.60	197.60	213, 214	211	205	215
4	214	111.00	111.00	215	212	213	215
5	215	938.90	938.90	402, 403	211,214,217	205	216
6	216	340.20	340.20	378	217, 218	215	377
7	217	1335.10	1335.10	215, 216	218	211	218
8	219	3826.40	3826.40	220, 221, 376	224	218	222
9	221	1567.50	1567.50	374, 375	219	376, 220	222
Total Area		12052.10	11020.00				

Administrative Building,
Prof. Anant Kanekar Marg,
Bandra (E), Mumbai 400 051,
Dated 23rd September 2016.

VISHWAS PATIL,
Chief Executive Officer,
Slum Rehabilitation Authority.

झोपडपट्टी पुनर्वसन प्राधिकरण

अधिसूचना

क्रमांक झोपुप्रा/उजि/३क/समाधानसह.गृह व इतर/२०१६/६३६

ज्याअर्थी, महाराष्ट्र झोपडपट्टी (सुधारणा, निर्मूलन आणि पुनर्विकास) अधिनियम, १९७१ चे कलम ३ब च्या पोट-कलम (३) अनुसार झोपडपट्टी पुनर्वसन प्राधिकरणाने झोपडपट्टी पुनर्वसन योजना तयार करून दिनांक ९ एप्रिल १९९८ रोजी राजपत्रात प्रसिद्ध केली आहे ;

ज्याअर्थी, महाराष्ट्र झोपडपट्टी (सुधारणा, निर्मूलन आणि पुनर्विकास) अधिनियम, १९७१ चे कलम ३ (क), उप - कलम (१) अनुसार “झोपडपट्टी पुनर्वसन क्षेत्र” घोषित करण्याचे अधिकार मुख्य कार्यकारी अधिकारी यांना आहेत.

त्याअर्थी, उक्त कलम ३ (क) चे उप-कलम (१) मधील शक्तीचा वापर करून मी, खालीलप्रमाणे अनुसूचीमध्ये दर्शविलेले क्षेत्र “झोपडपट्टी पुनर्वसन क्षेत्र” म्हणून याद्वारे घोषित करीत आहे. सदरचे क्षेत्र बृहन्मुंबई विकास नियंत्रण नियमावली, १९९१ चे नियम ३३(१०) अन्वये झोपडपट्टी पुनर्वसन योजना दाखल करण्यास पात्र आहे.

अनुसूची

अ. क्र.	गावाचे नाव व न.भू.क्र.	मिळकत पत्रिकेनुसार क्षेत्र (चौ.मी.)	झोपडपट्टी पुनर्वसन क्षेत्र म्हणून जाहीर करावयाचे क्षेत्र (चौ.मी.)	चतुःसीमा			
				पूर्व	पश्चिम	उत्तर	दक्षिण
(१)	(२)	(३)	(४)	(५)	(६)	(७)	(८)
	मौजे ओशिवरा, तालुका अंधेरी			नभूक्र.	नभूक्र.	नभूक्र.	नभूक्र.
१	२९४/अ	७३२.१	७३२.१	३२१/अ	३१९	३०३	३२१/१/अ
२	२९७	१३०.४	१३०.४	२९६	२९९	२९५	२९८
३	२९८ (पै)	२५३.७	२५३.७	२९६	२९९	२९७, २९९	३०३
४	३१०	६८९.४	६८९.४	३०९	३१२	४५	३११
५	३१२ पै	३२२९.५	४२०.०	३०८, ३११	१अ/पै	४५	१अ/पै, ३१३
६	३१३	११८.१	११८.१	३०८	१अ/पै	३१२	१अ/पै
७	३२०	९३७.२	९३७.२	३१९, ३२१अ/पै	१अ/पै	३१५, ३१७	१अ/पै
८	३२१/अ(पै)	४४८९.८	२८५३.०	३२१अ/पै	२९४अ, ३१९, ३२०	२९४अ	१अ/पै
एकूण क्षेत्र		१०५८०.२	६१३३.९				

प्रशासकीय इमारत, प्रा. अनंत काणेकर मार्ग,
बांद्रा (पूर्व), मुंबई ४०० ०५१.
दिनांक २३ सप्टेंबर २०१६.

विश्वास पाटील,
मुख्य कार्यकारी अधिकारी,
झोपडपट्टी पुनर्वसन प्राधिकरण.

SLUM REHABILITATION AUTHORITY
NOTIFICATION

No. SRA/DY.COLL/3C/SamadhanCHS and Other/2016/636

Whereas, the Slum Rehabilitation Authority has formed Slum Rehabilitation Scheme under the provision of section 3B (3) of Maharashtra Slum Area (Improvement, Clearance and Redevelopment) Act, 1971 and published in *gazette* on 9th April 1998 ;

Whereas, in view of the provision of Section 3C (1) of the Maharashtra Slum Area (Improvement, Clearance and Redevelopment) Act, 1971 the Chief Executive Officer, Slum Rehabilitation Authority is empowered to declare any area as "Slum Rehabilitation Area".

Therefore, in view of the said provision of section 3C (1) of the Maharashtra Slum Area (Improvement, Clearance and Redevelopment) Act, 1971. I, under signed is hereby declare the area shown in schedule as "Slum Rehabilitation Area". Now the said area is open to submit the scheme of Slum Rehabilitation as per regulation 33(10) of Development Control Regulation, 1991 of Greater Mumbai.

Schedule

S. No.	Village and C.T.S. No.	Area as per Property Card (Sq. mtr.)	Area to be declared as "Slum Rehabilitation Area" (Sq. mtr.)	Boundaries			
				East	West	North	South
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
	Village-Oshiwara Taluka-Andheri			CTS No.	CTS No.	CTS No.	CTS No.
1	294/A	732.1	732.1	321/A	319	303	321/1/A
2	297	130.4	130.4	296	299	295	298
3	298/(pt.)	253.7	253.7	296	299	297, 299	303
4	310	689.4	689.4	309	312	45	311
5	312/pt.	3229.5	420.0	308, 311	1A/(pt.)	45	1A/(pt.), 313
6	313	118.1	118.1	308	1A/(pt.)	312	1A/(pt.)
7	320	937.2	937.2	319, 321A/ (pt.)	1A/(pt.)	315, 317	1A/(pt.)
8	321/(Apt.)	4489.8	2853.0	321/A (pt.)	294/A, 319, 320	294/A	1A/(pt.)
Total Area		10580.2	6133.9				

Administrative Building,
Prof. Anant Kanekar Marg,
Bandra (E), Mumbai 400051.
Dated 23rd September 2016 .

VISHWAS PATIL,
Chief Executive Officer,
Slum Rehabilitation Authority.

जिल्हा परिषद, सिंधुदुर्ग

प्रपत्र २१ (ई)

नियम ६६ (अ) (८) व (९)

क्रमांक सिंजिप/वित्त/फ ६(१)/वाले/१५७४/१६

जिल्हा परिषद जमा व खर्चाचा गोषवारा सन २०१५-१६

जमा बाजू	रक्कम रुपये	खर्च बाजू	रक्कम रुपये
आरंभिची शिल्लक	११८७८९०७३५	महसुली खर्च	
महसुल जमा		१ अध्यक्ष	१०९५६६४६
१ कर आणि फी	०	२ सामान्य प्रशासन	२७१३७५०७९
२ स्थानिक उपकर	३८४२३७१९	३ शिक्षण	२९४४९५०४२०
३ स्थानिक कर	३१०७७३१	४ इमारत व दळणवळण	२८४४०४६८८
४ (क) अनुदाने	७००८५५६५	५ लघु पाटबंधारे	८७८४०५७६
४ (अ) अनुदाने	५५९८११४१३३	६ वैद्यकीय	२४८७८६०
५ व्याज	९८३२८९००	७ आयुर्वेद	५६२८०२९
६ पोलीस	५५१०	८ सार्वजनिक आरोग्य	४३१३८५९०८
७ शिक्षण	२०२००७०	९ सार्वजनिक आरोग्य व स्थापत्य	६४५६१२६४
८ वैद्यकीय	४६५४८	१० व्याज	०
९ सार्वजनिक आरोग्य	१५६५६२३	११ शेती	७६८६५७८२
१० शेती	३०९२४००	१२ पशुसंवर्धन	८८२३४२९८
११ पशुसंवर्धन	४७६३९०	१३ जंगल	१४३०००
१२ कुटीरउद्योग	०	१४ समाजकल्याण	९१९३७०३१
१३ सार्वजनिक बांधकाम	४२८४०१०	१५ सहकार	०
१४ निवृत्तीवेतन	११२६७१	१६ उद्योग	०
१५ संकिर्ण	५१९८९९१५	१७ समाजविकास	०
		१८ संकिर्ण	६०९८५०६५
		१९ निवृत्ती वेतन	२२४५६०८५६
		२० संकिर्ण	९५८७३३३२३
एकुण महसुली जमा	५८७९६५३९८५	एकुण महसुली खर्च	५६०५०४९८२५
भांडवली जमा		भांडवली खर्च	
व्याजी कर्जे	९६४८३	व्याजी कर्जे	०
बिनव्याजी कर्जे	०	बिनव्याजी कर्जे	०
अनामती	१५४४४८६१९	अनामती	१२६६५११२५
तसलमाती	१८७८६८१८	तसलमाती	६३२३४११
एकुण भांडवली जमा	९७३३३९९२०	एकुण भांडवली खर्च	९३२९७४५३६
वित्त प्रेषण	४१४२५८२७५७	वित्त प्रेषण	४३९८०५८६१५
एकुण महसुली+भांडवली+वित्तप्रेषण	९०९८७५६७८६२	एकुण महसुली+भांडवली+वित्तप्रेषण	९०९३६०८२९७६
		अखेरची शिल्लक	१२३९३७५६२१
एकंदर एकुण आरंभिचे शिल्लकेसह	९९३७५४५८५९७	एकंदर एकुण अखेरचे शिल्लकेसह	९९३७५४५८५९७

सिंधुदुर्ग,
दिनांक २३ सप्टेंबर २०१६.

शेखर सिंह,
मुख्य कार्यकारी अधिकारी,
जिल्हा परिषद, सिंधुदुर्ग.

जिल्हा परिषद सिंधुदुर्ग

प्रपत्र २१ (ई)

नियम ६६ (अ) (८) व (९)

पंचायत समिती वाढीव उपकर जमाखर्चाचे विवरण पत्र सन २०१५-२०१६

अ.क्र.	जमा खर्चाचे लेखाशिर्ष	देवगड	वैभववाडी	कणकवली	मालवण	कुडाळ	वेंगुर्ला	सावंतवाडी	दोडामार्ग	एकूण
१	२	३	४	५	६	७	८	९	१०	११
		रुपये	रुपये	रुपये	रुपये	रुपये	रुपये	रुपये	रुपये	रुपये
१	सुरुवातीची शिल्लक	१९४९००८	१८८३५६	१३८२६४०	६८०८५३	२७४४३	१२००८८२	७८२७५	१५४८७७७	७०५६२३४
२	महसुली जमा									
	वाढीव उपकर	०	३६४५८९	८७१९०३	१५८२२२०	३५५६२६४	८७२९०२	१२७८२५५	१०१३२८५	९५३९४१८
	व्याज	१३५४१७	०	०	०	०	०	०	६७१३८	२०२५५५
	बांधकाम मुदतवाढ टॅड	०	०	३००	०	०	०	०	५४०००	५४०००
	जुन्या सामानाची विक्री	०	०	०	०	०	०	०	०	०
	गतवर्ष हिशेब तपासणी वसुली	०	०	०	०	०	०	१०००	५९५६	६९५६
	पं.स.सभागृह/मार्केट गाळे भाडे	०	०	०	०	६१५००	०	१०९१७	०	७२४१७
	व्यपगत अनामती	०	७५८६	०	०	०	१४७९९	०	०	२२३८५
	यशवंत ग्रामसमृद्धी बक्षिस रक्कम	०	०	०	०	०	०	०	०	०
	इतर जमा	०	१०००	५०००००	१५२३०४५	१२६६४४	०	५००००	०	२२००६८९
	एकूण महसुली जमा	५३५४५७	३७३९५५	५३७२२०३	३९०५२६५	३७४४४०८	८८७७०५	५३४०५७२	९०९५७९	१२०५०१२०
३	भांडवली जमा									
	अनामती	१९१०७५१	५८७४०	२३१८३०	४८१८९३	५०५३०३	८२८८१	०	२१३५१६	३४८४९१४
	तत्सलमती	३५०००	११३२८	५००००	०	१५००००	०	१३००००	३५००००	४११३२८
	एकूण भांडवली जमा	५४४५०५१	७००६८	२८१८३०	४८१८९३	६५५३०३	८२८८१	९३००००	२४८५१६	३८९६२४२
४	एकूण महसुली + भांडवली	२०८५५६८	४४३२४३	५६५४०३३	३५८७१५८	४३९९७९९	९७०५८२	९४७०५७२	९३४०२९५	१५९४६३६२
५	एकंदरीत आरंभीच्या शिल्लकेसह	४०३०५७६	६३५५९९	३०३६६७३	४२६८०५९	४४२७५४४	२५७९४४४	५५४८४४७	२८८९०७२	२३००२५९६

१	२	३	४	५	६	७	८	९	१०	११
६	महसुली खर्च									
	कुबी	२१७४५५	४८०६०	१२६७६३	२९६०१५	५०००	१५००	१५००	९०७४४	८५७०३७
	पशुसंवर्धन	९९९७५	०	४९४४०	४९८९१	४९९३२	४९८९१	०	१९९३२	३९९०६१
	पाटबंधारे	०	०	०	०	०	०	०	०	०
	सार्वजनिक आरोग्य अभियांत्रिकी	०	०	०	०	०	०	०	७६०६६	७६०६६
	शिक्षण	४९९४०	४००००	०	७००००	०	०	१५००००	५७४९९५	८८४९३५
	घरबांधणी	०	०	०	०	४२००००	०	०	१०००००	५२००००
	सार्वजनिक आरोग्य	५००००	०	०	४९५००	३००००	०	०	०	१२९५००
	समाज शिक्षण	०	०	०	०	०	०	५००००	३७०००	८७०००
	दळणवळण	१९९८२	०	७४६८७५	०	३५९१४७	०	०	७१५६४१	२०२१५४५
	कार्यालयीन व निवासस्थान	०	०	४९०००	०	०	०	०	०	४९०००
	समाजकल्याण	३१३८०६	८५६३६	५७५०००	३३६०००	८९४४५१	४०३९६०	२९६०००	३४०५४०	३२४६३९३
	महिला व बालविकास	३९२५००	३५१६९	०	१४६०००	५५२८४०	१८१५५०	१४६२२०	१५६३१०९	१६१३१०९
	उर्जाविकास	०	०	०	०	०	०	०	०	०
	यशवंत पंचायत बक्षिस योजना	०	०	०	०	०	०	०	०	०
	संकीर्ण	३६२८२	१२४७०५	२५६४९२	५१९१६२	३९४८९९	३५८६७८	६१८९८	९९५००	२७२८२१६
	एकूण महसुली खर्च	५६८६४४०	३३३५७०	५८६९५७०	९४६६५६८	२७०७२६९	९९५५७९	९२५८२८	२२५०६३८	१२५२७८६२
७	भांडवली खर्च									
	अनामती	१८९७४३२	६४३०६	२९३२९९	२५३२६५	१५५५०१६	५३३७९१	०	१५२९९५	४७५०१०४
	तसलमती	३५०००	११३२८	५००००	०	१५५०००	०	१२५०००	२५०००	४०१३२८
	एकूण भांडवली खर्च	९९३४३२	७५६३४	३४३२९९	२५३२६५	१७०००१६	५३३७९१	१२५०००	१७०९९५	५१५१४३२
८	एकूण महसुली+भांडवल	३६९८७२	४०९३०४	२२५२८६९	१०९९८३३	४४१७२८५	९५२९३७०	९३८३२८	२३८८६३३	१७६७९२९४
९	अखेरची शिल्लक	४११३०४	२२२३९५	८२३८०४	२७४८१७८	९८६९	६४२०९४	१६५२१९	५००४३९	५३२३३०२
१०	अखेर शिल्लकसह एकंदर	४०३०९७६	६३५५९९	३०३६६३३	४२६८०९१	४४२७५५४	२९७७४६४	९५४८४४७	२८८९०७२	२३००२५९६

सिंधुदुर्ग, दिनांक २३ सप्टेंबर २०१६.

शेखर सिंह,
मुख्य कार्यकारी अधिकारी,
जिल्हा परिषद सिंधुदुर्ग.

Serial No. M-16199

FORM No. 155[See rule 329]

[Members, Voluntary Winding-up]

Name of Company : INDIAN BUNKERING AND TRADING PVT. LTD.

Notice Convening Final Meeting

Notice is given that Final Extra Ordinary General Meeting of members of Indian Bunkering and Trading Pvt. Ltd. shall be held on 7th of October, 2016 at 11-00 A.M. at "Crystal Plaza, Hiranandani Complex, Office No. 42, Sector-7, Kharghar, Navi Mumbai, Maharashtra 410210" to present voluntary liquidation accounts and documents as per Section 497 of Companies Act, 1956. A separate notice has been send to all members.

Date : 17th September, 2016

Place : Navi Mumbai

For Indian Bunkering and Trading Pvt. Ltd.

LIQUIDATOR.

Serial No. M-16205

Form No.151

Member's Voluntary Winding up

Notice of Appointment of Liquidator pursuant to Section 516 of the Companies Act, 1956

- 1. Name of the Company :** Axis Shares & Securities Private Limited.
- 2. Nature of Business :** The Company is engaged in the business of stocks, shares and for this purpose to make applications to and obtain the membership of the stock exchanges or such other recognised bodies for this purpose.
- 3. Address of the Registered Office :** 46, Manoj Industrial Estate, G. D. Ambekar Marg, Wadala, Mumbai 400 031.
- 4. Name and address of Liquidator :** Mr. Mahendra P. Jain, Proprietor of M. P. Jain & Associates, Chartered Accountants. 1637, Shree Mauli Krupa, New Link Road, Kandivali (West) Mumbai 400067.
- 5. Date of Appointment :** 15th September 2016.
- 6. Appointment by :** Appointed by Members in the Extra Ordinary Meeting of the Company held on 15th September 2016.

For M. P. Jain & Associates
Chartered Accountants

Mahendra P. Jain
Proprietor (Liquidator of Axis Shares & Securities Private Limited)
Firm Registration No : 136131W
Membership No : 153850

Serial No. M-16206

NOTICE
SKF INDIA LIMITED

REGD OFFICE : MAHATMA GANDHI MEMORIAL BLDG, N S ROAD, MUMBAI - 400 002

Notice is hereby given that the certificate for the under mentioned securities of the Company has been lost/misplaced and the holder(s) of the said securities/applicant(s) has/have applied to the Company to issue duplicate certificate.

Any person who has a claim in respect of the said securities should lodge such claim with the company at its Registered office within 15 days from this date, else the Company will proceed to issue duplicate certificate without further intimation.

Name of the Holders	Kind of Securities and Face Value	No. of Securities	Distinctive Nos.
Bhanumati Chunilal Hansoti (Decd) & Rashmi Ishwerbhai Pratap	Equity Shares of Rs. 10/- each	100	11092301 - 400

Place: Mumbai,

Date: 20 September 2016.

RASHMI ISHWERBHAIR PRATAP.

Serial No. M-16207

NOTICE
TRENT LIMITED

REGD OFFICE : BOMBAY HOUSE 24 HOMI MODY STREET MUMBAI – 400 001

Notice is hereby given that the certificates for the under mentioned securities of the Company have been lost/misplaced and the holder of the said securities/applicant has applied to the Company to issue duplicate certificates.

Any person who has a claim in respect of the said securities should lodge such claim with the company at its Registered office within 15 days from this date, else the Company will proceed to issue duplicate certificates without further intimation.

Name of the Holder	Kind of Securities and Face Value	No. of Securities	Distinctive Nos.
Kavita Suresh Shah	Equity Shares of Rs. 10/- each	60	1906519 - 6528 5144662 - 4671 8553071 - 3100 3480952 - 0961

Place: Mumbai,

Date: 17 September 2016.

KAVITA SURESH SHAH.

Serial No. M-16208

Form No. 151

(Rule 315)

Companies Act, 1956

Members Voluntary Winding Up

Notice by Liquidator of his appointment in Official Gazette

Under Section 516 of rule 315

Name of Company : TAXILA HOSPITALS PRIVATE LIMITED.

CIN : U85110MH2003PTC140921.

Business Activity : HOSPITAL

Date of incorporation of company : 16th June, 2003

Address : Plot No 49, Prabhat Colony nari Road, Teka Naka Nagpur,
Maharashtra – 400026.

Name and address of Liquidator -

Roshan R. Raikar, Company Secretary in Whole time Practice,

Resident of - H. No 1143, Saraf Galli, Shahpur, Belgaum, Karnataka-590003

Date of Appointment - 31st day of August 2016,

By Whom appointed - By members of the company at Extra Ordinary General Meeting of
..... **Special**
Resolution.

Signature

Roshan R. Raikar

Company Secretary in Whole time Practice

A32941

H. No 1143, Saraf Galli, Shahpur, Belgaum, Karnataka-590003.

Date : 23rd September 2016

Place : Belgaum.

Serial No. M-16209

NOTICE OF RETIREMENT OF PARTNER FROM PARTNERSHIP FIRM
CORRIGENDUM

As per the advertisement published in this local news paper NAVSHAKTI Dt.: 23rd December, 2015, Notice be read as under :-

(u/s 72(a) of the Indian Partnership Act, 1932 (Act 9 of 1932))

Notice is hereby given that from the day of Twenty Second of February of Nineteen Ninety Eight (22.02.1998), **Smt. Ranjan Bharat Patel, wife of Shri. Bharat Patel, r/o No. A/404, Upendra Nagar Co-operative Housing Society, Yashwantrao Tavade Marg, Dahisar (E), Mumbai – 400 068** has retired from the partnership firm of **M/s. Rajiv Granite**, which is registered with the Registrar of Firms of **Bombay under Registration No. BA-65330 having its registered office at No. A/13, Abhinav Apartments, Mathuradas Road Extension, Kandivli (West), Mumbai – 400 067** vide Consent Decree dated 31st March, 2015 passed by the Hon'ble Bombay City Civil Court in Suit No. 3119 of 2004; and that the remaining two partners of the firm, viz., **Shri. Ramesh Champaklal Mehta and Smt. Bharati Ramesh Mehta** have been continuing the partnership business in the same name of the partnership firm as going concern with effect from 23.02.1998.

Further, we all partners, continuing and retiring, have agreed not to held laible Mrs. Ranjan Bharat Patel for any Profit & Losses and Assets & Liabilities of the Firm M/s. Rajiv Granite from the date of establishment of the partnership firm i.e. 14/10/1995.

This is as per clause (iii) on page 3 of Deed of Retirement and Continuation of Partnership Firm dated 11/3/2016.

**Mr. Ramesh Champaklal
Mehta**
(Continuing partner)

**Mrs. Bharati Ramesh
Mehta**
(Continuing partner)

**Smt. Ranjan Bharat
Patel**
(Retiring Partner)

Place : Mumbai,

Date : 19th September 2016.

Note : Notice published in newspaper Navshakti dated 23rd December 2015; be treated as cancelled.

Serial No. M-16200

**NATIONAL COMMODITY & DERIVATIVES EXCHANGE LIMITED
MUMBAI**

Pursuant to the merger of FMC with SEBI and repeal of FCR Act, 1952, the amendments in the National Commodity & Derivatives Exchange Bye Laws, 2003 and National Commodity & Derivatives Exchange Rules, 2003 were carried out in accordance with the directives of Securities and Exchange Board of India (SEBI). The said amendments to Rules and Bye-laws were published in the Gazette of India in Part-IV, Saturday, May 21, 2016 - Friday, May 27, 2016 in accordance with Rule 18 of Securities Contracts (Regulation) Rules, 1957.

The Rules and Bye-laws of the Exchange has been amended/approved by the SEBI vide its letter No SEBI/HO/CDMRD/DEA/OW/P/2016/25792/1 dated September 14, 2016 as under:

RULES

1. DEFINITIONS

1. "Board" means Board of Directors of National Commodity & Derivatives Exchange Limited.
2. "Bye Laws" means the Bye Laws of the National Commodity & Derivatives Exchange Limited for the time being in force.
3. "Exchange" means National Commodity and Derivatives Exchange Limited and the premises and/ or the system for executing transactions in commodity derivatives or any other products/ securities that are permitted and/ or approved by SEBI.
4. "Clearing Bank(s)" means such bank(s) as NCDEX may appoint to act as funds settling agency, for the collection of margin money for all deals cleared through exchange and any other funds movement between clearing members and the Clearing House and between clearing members as may be directed by the Clearing House from time to time.
5. "Clearing Member" means a person having clearing and settlement rights in any recognized clearing corporation and shall include any person having clearing and settlement rights on the Exchange.

Provided that such a clearing member of the Exchange shall be required to become a member of a recognized clearing corporation from such date as may be specified by the SEBI.

6. "Clearing House" means a division of the Exchange or any agency identified by the relevant authority or any independent entity such as Clearing Corporation set up and empowered suitably to act as a facilitator for processing of deliveries and payments between clearing members /trading members and participants for trades effected by them on the Exchange.
7. "Goods" mean the meaning assigned to it in section 2 (bb) of SCRA.

- 7A. "Commodity Derivative" shall have the meaning as assigned to it in section 2 (bc) of SCRA.
- 7B. "Contract" means a contract for or relating to the purchase or sale of securities and which is specifically approved by SEBI for trading on the Exchange.
8. "Trading Member" means a person having trading rights in NCDEX and includes a stock broker".
9. "Regulations", unless the context indicates otherwise, includes business rules, code of conduct and such other regulations prescribed by the Relevant Authority from time to time for the operations of the Exchange and these shall be subject to the provisions of the Securities Laws, Rules framed thereunder, the directives of SEBI or any other similar regulatory authority and such other directives and provisions as may be specified from time to time by the Relevant Authority.
10. "Relevant Authority" means the Board or such other authority as specified by the Board from time to time as relevant authority for a specified purpose.
- 10A. "SCRA" means Securities Contracts (Regulation) Act, 1956 and amendments thereto.
- 10B. "SCRR" means Securities Contracts (Regulation) Rules, 1957 and amendments thereto.
- 10C. "SEBI" means Securities and Exchange Board of India constituted under SEBI Act, 1992.
- 10D. "SEBI Act" means the Securities and Exchange Board of India Act, 1992 and amendments thereto.
- 10E. "Stock Broker Regulations" means SEBI (Stock Brokers and Sub-Brokers) Regulations, 1992 and amendments thereto.
- 10F. "SECC Regulations" means Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2012 and amendments thereto.
- 10G. "Securities Laws" means the SEBI Act, 1992, SCRA, 1956, Depositories Act, 1996 and any rules, regulations, circulars, guidelines, or directions issued thereunder.
- 10H. "Self-Clearing Member" means the self-clearing member as defined in Regulations 2 (1) (fa) of the Stock Broker Regulations.
- 10 I. "Stock Broker" means the Stock Broker as defined in Regulation 2 (1) (gb) of the Stock Broker Regulations.
11. Settlement Fund means a fund established and maintained in accordance with the relevant provisions of the Bye Laws.

2. BOARD

1. The Board may organise, maintain, control, manage, regulate and facilitate the operations of the Exchange and of commodities transactions by trading members / clearing members, subject to the provisions of the Securities Laws, and any directives issued thereunder as may be prescribed from time to time.
2. Directors of the National Commodity & Derivatives Exchange Limited shall be appointed in accordance with the provisions of the Articles of Association of the Company as amended from time to time. The Central Government may nominate one person as its representatives for appointment as Director and not more than three persons representing interests not directly represented through membership of the Exchange, for appointment as Directors in accordance with Section 6 (2) (b) of Forward Contracts (Regulation) Act, 1952. Any such appointment of Directors shall be considered as one being made under the provisions of these rules.
3. All appointments to the Board of Directors shall be in accordance with the procedure prescribed for appointment of Directors under The Companies Act, 1956 and by the Exchange.
4. The Board is empowered to make Bye Laws, Rules and regulations from time to time, for all or any matters relating to the conduct of business of the Exchange, the business and transactions of trading members / clearing members between trading members / clearing members inter-se as well as the business and transactions between trading members / clearing members and persons who are not trading members / clearing members, and to control, define and regulate all such transactions and dealings and to do such acts and things which are necessary for the purposes of the Exchange.
5. Without prejudice to the generality of the foregoing, the Board is empowered to make Regulations, subject to the provisions of the Securities Laws, for all or any of the following matters:
 - a) Norms, procedures, terms and conditions for admission to membership of the Exchange;
 - b) Conduct of business of the Exchange;
 - c) Conduct of trading members / clearing members with regard to the business of the Exchange;
 - d) Prescription from time to time, and administration of penalties, fines and other consequences, including suspension/expulsion of Trading / Clearing Members from the Exchange for violation of any requirements of the Rules, Bye Laws and Regulations and the codes of conduct;
 - e) Manner of operations and interfacing with clearing bank(s) and other clearing and settlement agencies;
 - f) Prescription, from time to time, of capital adequacy and other norms which shall be required to be maintained by different categories of Trading / Clearing Members;

- g) Maintenance of records and books of accounts by Trading / Clearing Members as may be specified from time to time;
 - h) Investigation of the financial condition, business conduct and dealings of the Trading / Clearing Members;
 - i) Disciplinary action/procedures against any Trading / Clearing Member;
 - j) Declaration of any trading member / clearing member as a defaulter or suspension or resignation or exclusion from trading membership / clearing membership and consequences thereof and Readmission;
 - k) Conditions, levy for admission or subscription for admission or continuance of trading membership / clearing membership;
 - l) Charges payable by trading members / clearing members for business transacted through the Exchange, as may be laid down from time to time;
 - m) Investigation of the financial condition, business conduct and dealings of the trading members / clearing members;
 - n) Appointment and dissolution of Committee or Committees for any purpose of the Exchange;
 - o) Such other matters in relation to the Exchange as may be specified under the provisions of the Articles of Association, Bye Laws or these Rules or as may be necessary or expedient for the organisation, maintenance, control, management, regulation and facilitation of the operation of the Exchange.
6. The Board is empowered to delegate, from time to time, to the Executive Committee(s) or to the Managing Director or to any person or committee of persons which may be referred to as Relevant Authority, such of the powers vested in it and upon such terms as it may think fit, to manage all or any of the affairs of the Exchange and from time to time, to revoke, withdraw, alter or vary all or any of such powers.
7. The Board may, from time to time, constitute one or more committees comprising of members of the Board or such others as the Board may in its discretion deem fit or necessary and delegate to such committees such powers as the Board may deem fit and the Board may from time to time revoke such delegation. The Committees constituted by the Board may inter alia include:
- a) Admissions Committee for admission of trading members / clearing members;
 - b) Infrastructure Committee to recommend appropriate infrastructure and implement the same;
 - c) Systems Committee to recommend setting up of systems for carrying on the functioning of the Exchange and to implement and monitor the same;
 - d) Any other matter which the Board may think fit.

8. The Board shall have the authority to issue directives from time to time to the Executive Committee or any other Committees or any other person or persons to whom any powers have been delegated by the Board. Such directives issued in exercise of this power, which may be of policy nature or may include directives to dispose off a particular matter or issue, shall be binding on the concerned Committee(s) or person(s).
9. Subject to the approval of SEBI under the provisions of the Securities Laws, the Board is empowered to vary, amend, repeal or add to Bye Laws, Rules and Regulations framed by it.
10. The Members of the Board and of such committees as may be identified by the Board shall adhere to the Code of Conduct as may be prescribed by the Board from time to time.
11. Notwithstanding anything contained in the Rules, Bye Laws, Regulation or any circular, in the event of any conflict or ambiguity on any matter, the decision of Board shall supersede and the Board shall have final say on all matters including but not limited to the matters concerning functioning, regulation, business, membership, and day to day management of Exchange. Board may delegate and instruct any authority or committee to exercise such powers and functions as it may deem fit irrespective of such powers and functions being vested in any other authority or committee or subcommittee under Rules, Bye Laws, Regulations or any directions and any such delegation of power and functions by the Board shall supersede in the event of any conflict or ambiguity.

3. CHIEF EXECUTIVE

- 3.1 The Managing Director of the Exchange shall be the Chief Executive of the Exchange and shall be the Relevant Authority for day-to-day management and affairs of the Exchange including but not limited to trading, clearing and settlement of trades.
- 3.2 The Managing Director/Chief Executive shall represent the Exchange officially in all public matters.
- 3.3 Without prejudice the generality of above provisions, the Managing Director shall perform such function and shall exercise such powers as may be delegated to him by the Board.
- 3.4 The Managing Director shall function in accordance with the directions of Board from time to time on matters as the Board may deem fit.
- 3.5 The Managing Director may delegate any of his powers and functions from time to time to any person, committee of persons or sub committee of persons who may be referred to as Relevant Authority for exercise of such delegated power/s and function/s.
- 3.6 The Managing Director may revoke, modify, substitute or alter at any time, any power or function delegated by him to any person, committee or sub committee.

4. EXECUTIVE COMMITTEE

4.1 CONSTITUTION

1. One or more Executive Committee(s) may be appointed by the Board for the purposes mentioned in 4.2 here below. The Executive Committee may also be referred to as Governing Body for the functions delegated to it by the Board.
2. Executive Committee(s) appointed by the Board may, interalia, include:
 - a) Managing Director of the NCDEX,
 - b) Not more than one person nominated by the Central Government as its representative;
 - c) Not more than three persons representing interests not directly represented through membership of the Exchange;
 - d) Such number of persons and such other persons as may be decided by the Board from time to time;
3. The maximum strength of any Executive Committee shall be decided by the Board or any other authority or committee to whom the Board delegates this authority from time to time.
4. The person nominated under clauses b), c) and d) above shall hold office for a period of one year or for a period as mentioned by the authority nominating him, whichever is lesser.

4.2 POWERS OF EXECUTIVE COMMITTEE

1. The Board may delegate from time to time to the Executive Committee such of the powers vested in it and upon such terms as it may think fit, from time to time, to revoke, withdraw, alter or vary all or any of such powers.
2. The Executive Committee shall have such responsibilities and powers as may be delegated to it by the Board from time to time which may include the following responsibilities and powers to be discharged in accordance with the provisions of the Bye Laws and Rules:
 - a) Approving commodities/goods for admission to the relevant Official List which can be traded in spot and derivative segment of the Exchange;
 - b) Devise policies for development of market for commodities and derivatives and recommend to the Board for implementation.
 - c) Any other matter delegated by the Board.
3. The Board or Executive Committee may from time to time constitute such sub-committees and sub delegate any or all its functions to such Sub Committees. The constitution, quorum and responsibilities of such sub committees will be determined by Board/Executive Committee.
4. The Executive Committee may delegate from time to time and authorize the Managing Director to carry out any of its functions, as it may deem appropriate.

5. The Executive Committee(s)/Sub committee (s) shall be bound and obliged to carry out and implement any directives issued by the Board from time to time and shall be bound to comply with all conditions of delegation and limitations on the powers of the Executive Committee(s) as may be prescribed.

4.3 FILLING UP OF VACANCIES

1. Any vacancy caused by resignation, withdrawal of nomination, death or otherwise of a particular category of nominated person on the Executive committee shall be filled in by Board by nominating another person.

4.4 VACATION OF OFFICE OF MEMBERS OF THE BOARD/ EXECUTIVE COMMITTEE

1. The office of any member of the Board or Executive Committee including that of the public representatives, trading members and other nominees on the Executive Committee shall ipso facto be vacated if:
 - a) He is adjudicated as insolvent;
 - b) He applied to be adjudicated insolvent;
 - c) He is convicted by any Court in India of any offence and sentenced in respect thereof to imprisonment for not less than 30 days;
 - d) He absents himself from three consecutive meetings of the Executive Committee or for a continuous period of three months whichever is longer without obtaining leave of absence from the Committee meeting;
 - e) In the case of a trading member / clearing member, if he ceases to be a trading member of the Exchange / member of the clearing house of the Exchange, or if he, by notice in writing addressed to the Board or Executive Committee as the case may be, resigns his office or if he is suspended or expelled or if his membership is terminated;
2. Provided however that if at any time the Board is satisfied that circumstances exist which render it necessary in public interest to do so, the Board may revoke the nomination of any such person.

4.5 ELIGIBILITY OF TRADING MEMBER / CLEARING MEMBER TO BECOME EXECUTIVE COMMITTEE MEMBER

1. No trading member/clearing member shall be eligible to be nominated as a member of an Executive Committee:
 - a) Unless he satisfies the requirement, if any, prescribed in that behalf by the Rules framed under the Securities Laws ;
 - b) Unless he is a trading member / clearing member of Exchange for such period as may be decided by the Board from time to time;

- c) If he is a partner with a trading member who is already a member of that Executive Committee;
 - d) If he has at any time been declared as defaulter or failed to meet his liabilities in ordinary course or compounded with his creditors;
 - e) If his certificate of registration as a broker has been cancelled by the competent authority or he has been expelled by the Exchange;
 - f) If his certificate of registration as a broker or his trading rights have been suspended by the Relevant Authority or the Exchange as the case may be or his membership rights have been suspended by the Exchange on account of any disciplinary action taken against him under the Rules, Regulations or Bye laws of the Exchange and two years have not elapsed from the date of expiry of such suspension of certificate of registration, trading rights or membership rights;
2. A trading member nominated for two consecutive years as a member on an Executive Committee shall not be eligible to be nominated to the Executive Committee unless a period of two years has elapsed since his last nomination.

4.6 OFFICE BEARERS OF EXECUTIVE COMMITTEE

- 1. The Executive Committee shall from time to time have the following office-bearers namely, the Chairman and Vice Chairman.
- 2. The Managing Director of the Exchange shall be the Chairman of Executive Committee(s).
- 3. The Executive Committee members shall elect one among themselves as the Vice Chairman.
- 4. The Vice Chairman so elected shall hold office for a period of one year and shall be eligible for re-election.
- 5. In the event of any casual vacancy arising in the office of the Vice-Chairman due to death, resignation or any other cause, the Executive Committee shall nominate a successor from among the members of the Executive Committee.
- 6. The persons nominated/elected as above in any casual vacancy shall hold office for the same period for which the office-bearer in whose place he was appointed would have held office if it had not been vacated as aforesaid.

4.7 MEETINGS OF THE EXECUTIVE COMMITTEE

- 1. The Executive Committee may meet at such times and at such periodicity as may be required due to business exigency and may adjourn and otherwise regulate its meetings and proceedings as it thinks fit.
- 2. The quorum for a meeting of the Executive Committee, shall be one-third of the total strength of the Executive Committee, any fraction being rounded off as one, or five members whichever is lower; provided that where at any time the number of interested members exceeds two-thirds of the total strength, then the number of remaining members, i.e., the number of members present and not interested shall be the quorum for the meeting.

3. The Chairman of the Executive Committee may at any time convene a meeting of the Executive Committee.
4. Questions arising at any meeting of the Executive Committee shall be decided by a majority of the votes cast excepting in cases where a larger majority is required by any provision of the Rules, Bye Laws and Regulations of the Exchange. In the case of equality of votes on matters, which can be decided by a majority of votes, the Chairman presiding over the meeting shall have a second or casting vote.
5. At all meetings of the Executive Committee the Chairman shall ordinarily preside and in his absence the Vice-Chairman shall preside. If the Vice-Chairman also were not present at the meeting, the members of the Executive Committee present shall choose one from among themselves to be Chairman of such meeting.
6. Subject to the conditions stated elsewhere every member of the Executive Committee shall have only one vote whether on a show of hands or on a poll except that in the case of a poll resulting in equal votes, the Chairman who presides over the meeting shall have a casting vote.
7. No vote by proxy shall be allowed either on a show of hands or on a poll in respect of any matter.
8. No member, who has been suspended, expelled or declared defaulter shall be entitled to be present at a meeting or to take part in any proceedings or to vote thereat.

4.8 CHAIRMAN AND VICE CHAIRMAN

- 1 The Chairman may assume and exercise all such powers and perform all such duties as may be delegated to him by the Executive Committee from time to time as provided in the Rules, Bye Laws and Regulations of the Exchange.
- 2 The Chairman, shall be entitled to exercise any or all of the powers exercisable by the Executive Committee whenever he be of the opinion that immediate action is necessary, subject to such action being placed before by the Executive Committee within twenty-four hours.
- 3 A meeting of the Executive Committee for the time being, at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretion for the time being vested in or exercisable by the Executive Committee generally.

5. TRADING MEMBERSHIP / CLEARING MEMBERSHIP

1. The Exchange shall have following categories of Members:

- i. Trading Members: Trading Members shall be the Members admitted as such by the Exchange who shall be entitled to trade on Exchange on behalf of their constituents or on their own account and shall also be bound to clear and settle all such trade done by them unless responsibility to clear and settle is expressly accepted by a Professional Clearing Members in the manner prescribed by the Relevant Authority.
- ii. Professional Clearing Members: Professional Clearing Members shall be the Members admitted as such by the Exchange who shall be entitled to clear and settle the trades done by their Constituents through Trading Members in the manner as prescribed by the Relevant Authority from time to time.

The term 'Clearing Member' as used in Rules, Bye Laws and Regulations shall include Professional Clearing Members and Trading Members (while performing function of clearing) unless the context to the contrary.

2. The rights and privileges of a trading member / clearing member shall be subject to the Bye Laws, Rules and Regulations of the Exchange.
3. All trading members / clearing members of the Exchange shall have to register themselves prior to commencing operations on the Exchange, with the competent authority.
4. The relevant authority may define and admit more than one category of Trading / Clearing Member and may specify different norms including eligibility, admission and cessation of membership for each type of Trading / Clearing Members.
5. The relevant authority may specify pre-requisites, conditions, formats and procedures for application for admission, termination, re-admission, etc. of Trading / Clearing Members and eligibility criteria for trading / clearing in all or any of the trading / clearing segments of the Exchange. The relevant authority may, at its absolute discretion, refuse permission to any applicant to be admitted as Trading / Clearing Member.
6. Such fees, security deposit, contribution and other money as are specified by the relevant authority would be payable on or before admission as Trading / Clearing Member and for continued appointment thereof.

5.1 ELIGIBILITY FOR TRADING MEMBERS / CLEARING MEMBERS

1. The following persons shall be eligible to become trading members / clearing members of the Exchange:
 - a) Individuals
 - b) Sole proprietorship
 - c) Partnership firms

- d) Cooperative Societies registered with the registrar of cooperative societies of respective states/union territories.
 - e) Bodies corporate
 - f) Companies as defined in the Companies Act, 1956 and
 - g) Such other persons or entities as may be permitted under the Securities Laws.
2. No person shall be admitted as a trading member / clearing member of the Exchange if such proposed member:
- a) Is an individual who has not completed 21 years of age;
 - b) Is a body corporate who has committed any act which renders the entity liable to be wound up under the provisions of the law;
 - c) Is a body corporate who has had a provisional liquidator or receiver or official liquidator appointed to the person;
 - d) Has been adjudged bankrupt or a receiving order in bankruptcy has been made against the person or the person has been proved to be insolvent even though he has obtained his final discharge;
 - e) Has been convicted of an offence involving a fraud or dishonesty;
 - f) Has compounded with his creditors for less than full discharge of debts;
 - g) Has been at any time expelled or declared a defaulter by any other Commodity / Stock Exchange / Clearing Corporation;
 - h) Has been previously refused admission to membership unless the period of one year has elapsed since the date of rejection;
 - i) Incurs such disqualification under the provisions of the Securities Laws as disentitles such person from seeking membership of a commodity exchange.
 - j) Exchange determines that it is not in public interest to admit him as Member of Exchange.
3. No person shall be eligible to be admitted to the trading membership / clearing membership of the Exchange unless the person satisfies:
- a) The requirements as may be prescribed in that behalf under the Securities Laws,
 - b) The requirements of passing the certification programme as may be prescribed by the Exchange as eligibility criteria, and
 - c) Such additional eligibility criteria as the Board or relevant authority may prescribe for the different classes of trading / clearing members.

5.2 ADMISSION

1. Any person desirous of becoming a trading member / professional clearing member shall apply to the Exchange for admission to the trading membership / professional clearing membership during the period as permitted by the Exchange and specify the relevant trading segment / clearing segment of the Exchange he is desirous of trading / clearing in. Every applicant shall be dealt with by the relevant authority who shall be entitled to admit or reject such applications at its discretion.
2. The application shall be made in such formats as may be specified by the Relevant Authority from time to time for application for admission of trading members / clearing members.
3. The application shall have to be submitted along with such fees, security deposit and other monies in such form and in such manner as may be specified by the relevant authority from time to time. For the time being the fee, security deposit and the net worth requirements for Trading Member and Professional Clearing Member shall be as under:

Trading Member (cum Clearing Member):

- a. Interest Free Cash Security Deposit: Rs. 15 lacs
- b. Collateral Security Deposit in the format as may be prescribed by relevant authority: Rs.15 lacs.
- c. Annual subscription Charges: Rs.0.50 lacs
- d. Advance Minimum Transaction Charges: Rs. 0.50 lacs
- e. Net worth requirement in the form and manner as may be stipulated by relevant authority: Rs. 50 lacs

Professional Clearing Member:

- a. Interest Free Cash Security Deposit: Rs. 25 lacs
- b. Collateral Security Deposit in the format as may be prescribed by relevant authority: Rs.25 lacs.
- c. Annual subscription Charges: Rs.1.00 lacs
- d. Advance Minimum Transaction Charges: Rs. 1.00 lacs
- e. Net worth requirement in the form and manner as may be stipulated by relevant authority: Rs. 5000 lacs

Relevant Authority may modify, waive, and increase all or any of the above requirements or the manner of calculation of any or all the requirements from time to time in respect of Trading Member and/or Professional Clearing Member.

4. The applicant shall have to furnish such documents and declarations as may be specified from time to time by the relevant authority.
5. The relevant authority shall have the right to call upon the applicant to pay such fees or deposit such additional security in cash or kind, to furnish any additional guarantee or to require the deposit of any building fund, computerisation fund, training fund or fee as the relevant authority may prescribe from time to time.
6. The relevant authority may admit the applicant to the trading membership / professional clearing membership of the Exchange provided that the person satisfies the eligibility conditions and other procedures and requirements of admission. The relevant authority may at its absolute discretion reject any application for admission without communicating the reason thereof.
7. If for any reason the application is rejected, the application fee or admission fee, as the case may be, or part thereof as may be decided by the relevant authority may at its discretion be refunded to the applicant, without any interest.
8. Relevant Authority may, at its discretion, accept application/s for further admissions to trading membership and/or professional clearing membership of Exchange as and when deemed appropriate by it and may stipulate any premium amount as precondition/s for granting such membership.
9. The relevant authority may at any time from the date of admission to the trading membership / professional clearing membership of the Exchange cancel the admission and expel a trading member / professional clearing member if he has in or at the time of his application for admission to membership or during the course of the inquiry made by the relevant authority preceding his admission:
 - a) Made any willful misrepresentation; or
 - b) Suppressed any material information required of him as to his character and antecedents; or
 - c) Has directly or indirectly given false particulars or information or made a false declaration.
10. When a person is admitted to the trading membership / professional clearing membership of the Exchange, intimation of the person's admission shall be sent to the person and to the competent authority. If the person admitted to the membership of the Exchange and after intimation of his admission is duly sent, does not become a member by complying with acts and procedures for exercising the privileges of membership as may be prescribed by the relevant authority within a specified time period from the date of despatch of the intimation of admission, the admission fee paid by him shall be forfeited by the Exchange.
11. Every trading member / professional clearing member of the Exchange shall, upon being admitted as a trading member / professional clearing member of the Exchange be issued a certificate or entitlement slip / membership as proof of having been admitted to the benefits and privileges of the trading membership / clearing membership of the Exchange. Such a certificate or entitlement slip / membership shall not be transferable or transmittable except as herein mentioned.

12. Subject to such terms and conditions as the relevant authority may prescribe from time to time and to the prior written approval of the relevant authority, transfer of the certificate / entitlement slip, membership may be effected as follows:
 - a) By making nomination under these Rules;
 - b) By an amalgamation or merger of a trading member / clearing member company;
 - c) By takeover of a trading member / clearing member company;
 - d) By transfer of the trading membership / clearing membership of a trading member / clearing member firm to a new firm, in which, all the existing partners are not partners; and
 - e) By two or more trading members / trading member firms or professional clearing member / clearing member firms coming together to form a new partnership firm/company.
13. An individual/sole proprietorship Trading Member / professional clearing member or his successor(s) may make a nomination to the certificate / entitlement slip of trading membership / professional clearing membership. The nomination(s) made by a trading member / clearing member or successor(s) of a trading member / clearing member shall be subject to the following conditions, namely:
 - a) The nominee(s) shall, at the time when the nomination becomes effective, be person(s) who shall be qualified to be admitted as trading member(s) of the Exchange;
 - b) The nominee(s) shall give to the relevant authority his/their unconditional and irrevocable acceptance of his/their nomination;
 - c) A trading member / clearing member shall nominate one or more of his successor(s) as per the applicable succession laws. If the trading member / clearing member has no successor(s) willing to carry on the trading membership / clearing membership, then, the trading member / clearing member may nominate person(s) other than his successor(s);
 - d) If the trading member / clearing member has not nominated any person and is rendered incompetent to carry on his business on the Exchange on account of physical disability, then the trading member may, within a period of six months, make a nomination as per the provisions of sub-clause (c) above;
 - e) If the trading member / clearing member has not nominated any person, the successor(s) of the trading member / clearing member may nominate one or more persons from among themselves within six months from the date of the death of the trading member / clearing member;
 - f) If the nomination of the trading member / clearing member is such that it cannot be given effect to by the relevant authority, at the time when the nomination would have become effective, then the successor(s) of such a trading member / clearing member may nominate any other person(s) within six months from the date on which the nomination would have become effective;

- g) If more than one person(s) are nominated by the trading member / clearing member or the successor(s), then such nominated person(s) shall be required to form a company/partnership firm to carry on the trading membership / clearing membership;
 - h) A nomination made by a trading member / clearing member or successor(s) may be revoked with the prior written approval of the relevant authority and subject to such terms and conditions as the relevant authority may prescribe from time to time. No such revocation shall be permitted after the nomination becomes effective; and
 - i) The nomination shall become effective in the case of a nomination made by a trading member / clearing member, from the date of his death or physical disability or from the date of approval by the relevant authority, whichever is later and in the case of a nomination made by successor(s), from the date on which such nomination is made or from the date of approval by the relevant authority, whichever is later.
14. The relevant authority may permit the transfer of the certificate / entitlement slip / membership subject to payment of such transfer fee as it may be fit in the following circumstances:
- a) Death of a trading member / clearing member;
 - b) If in the opinion of the relevant authority, the trading member / clearing member is rendered incompetent to carry on his business on the Exchange on account of physical disability;
 - c) Upon amalgamation or merger of a trading member / clearing member company;
 - d) Upon take over of a trading member / clearing member company; and
 - e) Upon the death of or resignation or notice of dissolution by a partner of a trading member firm / clearing member firm, and re-alignment, if any, by the partners in such firm or by the partners in such firm and the nominee(s)/successor(s) of the outgoing partner or by the partners in such firm and person(s) other than the nominee(s)/successor(s) of the outgoing partner in a new firm, within a period of six months from the date of such death or resignation or notice of dissolution.
15. For the purpose of the clauses (11) to (14), the term 'trading member / clearing member' shall to the extent applicable, include a partner of a trading member firm / clearing member firm or a shareholder of a trading member company / clearing member company. The term successor(s) shall to the extent applicable, include successor(s) of a partner of a trading member firm / clearing member firm or successor(s) of a shareholder of a trading member company / clearing member company.
16. Without prejudice to any other provision of the Rules, the trading membership / clearing membership may be suspended, for such period as the relevant authority may deem fit, in the following circumstances:
- a) Upon the individual trading member / clearing member or a partner of a trading member firm / clearing member firm, in the opinion of the relevant authority, being rendered incompetent to carry on his business on account of physical disability;

- b) Upon the mental disability of the individual trading member / clearing member or a partner of a trading member firm / clearing member firm provided the partner holds at least 51% of share in the profits and losses of and / or at least 51% of share in the capital of such firm or a shareholder of a trading member company / clearing member company provided the shareholder is a majority shareholder in such trading member company / clearing member company;
- c) Upon the death of an individual trading member / clearing member or a partner of a trading member firm / clearing member firm provided the partner holds at least 51% of share in the profits & losses of and / or at least 51% of share in the capital of such firm or a shareholder of a trading member company / clearing member company, provided the shareholder is a majority shareholder in such trading member company / clearing member company and during the six month period within which successor(s) of such individual trading member / clearing member or partner or shareholder, may nominate person(s) to take up the stake/ shares of such deceased individual trading member / clearing member or partner or shareholder;
- d) Upon the dissolution of a trading member firm / clearing member firm and during the six month period as referred to in sub clause (e) of clause (13); and
- e) Upon any deadlock in the management of a trading member firm / clearing member firm or trading member company / clearing member company, which, in the opinion of the relevant authority will affect the ability of the such trading member firm or trading member company / clearing member company to carry on its business. The trading member / clearing member shall be entitled for an opportunity for representation before the relevant authority, before being suspended under this sub-clause, but the decision of the relevant authority shall be final.

Explanation I

For the purposes of this sub-clause, the term " Deadlock in the Management " means a situation wherein there is a loss of confidence or disagreement among the partners of a trading member firm / clearing member firm or among the directors/shareholders of a trading member company / clearing member company, which, in the opinion of the relevant authority, will affect or is likely to affect the conduct of business by the trading member firm / clearing member firm or trading member company / clearing member company, as the case may be or an equality of vote at a meeting of the directors or shareholders of a trading member company / clearing member company.

- 17. Without prejudice to any other provision of the Rules, the trading membership / clearing membership may be terminated by the relevant authority if an acceptable nomination or realignment, as the case may be, does not take place to the satisfaction of the relevant authority, within the said period of six months.
- 18. The nominee(s), successor(s), partners of a trading member firm / clearing member firm or such other persons, as the case may be shall be entitled for an opportunity for representation before the relevant authority, before being terminated under clause (h) above, but the decision of the relevant authority shall be final.

5.3 CONVERSION OF LEGAL STATUS OF THE TRADING MEMBER / CLEARING MEMBER

1. Subject to such terms and conditions as the relevant authority may prescribe from time to time and to the prior written approval of the relevant authority, conversion of the legal status of a trading member / clearing member may be effected as follows:
 - a) By conversion of an individual trading member / clearing member into a partnership firm / company;
 - b) By conversion of a Trading Member firm / clearing member firm into a company.
2. The entitlement slip / membership does not confer any ownership right as a member of the Exchange and shall not be a transferable instrument without prior specific permission in writing from the Relevant Authority and subject to these Bye Laws and conditions as may be stipulated by the Relevant Authority from time to time.
3. A trading member / clearing member shall not assign, mortgage, pledge, hypothecate or charge his right of membership or any rights or privileges attached thereto and no such attempted assignment mortgage, pledge, hypothecation or charge shall be effective as against the Exchange for any purpose, nor shall any right or interest in any trading membership / clearing membership other than the personal right or interest of the trading member / clearing member therein be recognised by the Exchange. The relevant authority shall expel any trading member / clearing member of the Exchange who acts or attempts to act in violation of the provisions of this Rule.

CONDITIONS

- 1) Trading / Professional Clearing Members shall adhere to the Rules, Bye Laws and Regulations and shall comply with such operational parameters, rulings, notices, guidelines and instructions of the relevant authority as may be applicable.
- 2) Trading/Professional Clearing Members shall be bound by the provisions of Securities Laws as in force from time to time and all other applicable laws in force from time to time.
- 3) All contracts issued for admitted deals shall be in accordance with and subject to Rules, Bye Laws and Regulations.
- 4) Trading / Professional Clearing Members shall furnish declarations, undertakings, confirmation and such other documents and papers relating to such matters and in such forms as may be specified by the relevant authority from time to time.
- 5) Trading / Professional Clearing Members shall furnish to the Exchange, within such time as may be specified, an annual Auditors' Certificate certifying that specified requirements as may be specified by the relevant authority from time to time pertaining to their operations have been complied with.
- 6) Trading / Professional Clearing Members shall furnish such information and periodic returns pertaining to their operations as may be required by the relevant authority from time to time.
- 7) Trading / Professional Clearing Members shall furnish to the Exchange such audited and/or unaudited financial or qualitative information and statements and in such manner as may be required by the relevant authority from time to time.

- 8) Trading / Professional Clearing Members shall comply with such requirements as may be specified by the relevant authority from time to time with regard to advertisements, booklets and issue of circulars in connection with their activities as Trading / Clearing Members.
- 9) Trading / Clearing Members shall extend full cooperation and furnish such information and explanation and in such manner as may be required by the relevant authority or authorised person of the Exchange for inspection or audit or in regard to any dealings, settlement, accounting and/or other related matters.
- 10) Trading/Professional Clearing Members shall maintain the net worth requirement as may be stipulated by the relevant authority from time to time.
- 11) Trading/Professional Clearing Members shall pay such fees, security deposits and other charges as may be stipulated by the relevant authority from time to time.

5.4 PARTNERSHIP

1. No trading member / clearing member shall form a partnership or admit a new partner to an existing partnership or make any change in the name of an existing partnership without intimation and prior approval of the relevant authority in such form and manner and subject to such requirements as the relevant authority may specify from time to time; these requirements may, inter alia, include deposits, declarations, guarantees and other conditions to be met by and which may be binding on partners of the firm who are not trading members / clearing members.
2. No trading member / clearing member shall, at the same time, be a partner in more than one partnership firm which is a trading member / clearing member of the Exchange.
3. No trading member / clearing member who is a partner in any partnership firm shall assign or in any way encumber his interest in such partnership firm.
4. The partnership firm shall register with the Income Tax authorities and with the Registrar of Firms and other such authorities as may be required and shall produce a proof of such registration to the Exchange.
5. The partners of the firm shall do business only on account of the firm and jointly in the name of the partnership firm. No single partner or group of partners are entitled to any rights and privileges of Trading / Clearing Membership independent from that of their partnership firm.
6. The members of the partnership firm must communicate to the Exchange in writing under the signatures of all the partners or surviving partners any change in such partnership either by dissolution or retirement or death of any partner or partners. Any notice to the Exchange intimating dissolution of a partnership shall contain a statement as to who undertakes the responsibility of settling all outstanding contracts and liabilities of the dissolved partnership firm but that shall not be deemed to absolve the other partner or partners of his or their responsibility for such outstanding contracts and liabilities.

5.5 TERMINATION OF MEMBERSHIP

Any trading member / professional clearing member may cease to be a member, if one or more apply:

1. By surrender of membership;
2. By death;
3. By expulsion in accordance with the provisions contained in the Bye Laws, Rules and Regulations;
4. By being declared a defaulter in accordance with the Bye Laws, Rules and Regulations of the Exchange;
5. By dissolution in case of partnership firm;
6. By winding up or dissolution of such company in case of a limited company.

The termination of Trading / Clearing Membership shall not in any way absolve the Trading / Clearing Member from any obligations and liabilities incurred by the Trading / Clearing Member prior to such termination.

5.6 SURRENDER OF MEMBERSHIP

A trading member / clearing member who intends to surrender the trading membership / clearing membership of the Exchange shall intimate to the Exchange by a written notice to that effect which shall be displayed on the trading system or through such other mode.

Any member of the Exchange objecting to any such surrender shall communicate the grounds of his objection to the relevant authority by letter within such period as may be specified by the relevant authority from time to time.

The relevant authority may accept the surrender of a member either unconditionally or on such conditions as it may think fit or may refuse to accept such surrender and in particular may refuse to accept such surrender until it is satisfied that all outstanding transactions with such member have been settled.

5.7 DEATH

On the death of a trading member / clearing member, his legal representatives and authorised representatives, if any, shall communicate due intimation thereof to the relevant authority in writing immediately and all future activities of the Trading / Clearing Member shall cease immediately except so far as it pertains to past obligations prior to his death.

5.8 FAILURE TO PAY CHARGES

Save as otherwise provided in the Bye Laws, Rules and Regulations of the Exchange if a member fails to pay his annual subscription, fees, charges, deposits, fines, penalties, contribution to Settlement Fund(s), other charges, or other monies which may be due by him to the Exchange or to the Clearing House within such time as the relevant authority may prescribe from time to time after notice in writing has been served upon him by the

Exchange, he may be suspended by the relevant authority until he makes payment and if within a further period of time as may be specified by the relevant authority from time to time, he fails to make such payment, he may be declared a defaulter or expelled by the relevant authority.

5.9 CONTINUED ADMITTANCE

The relevant authority shall from time to time prescribe conditions and requirements for continued admittance to trading membership / clearing membership which may, inter alia, include maintenance of minimum network and capital adequacy. The trading membership / clearing membership of any person who fails to meet these requirements shall be liable to be terminated.

5.10 READMISSION OF DEFAULTERS

A trading member's / clearing member's right of membership shall lapse and vest with the Exchange immediately he is declared a defaulter. The member who is declared a defaulter shall forfeit all his rights and privileges as a member of the Exchange, including any right to use of or any claim upon or any interest in any property or funds of the Exchange, if any.

The relevant authority may, at its absolute discretion, readmit a defaulter as a trading member / clearing member subject to the provisions, terms and conditions as may be prescribed by the relevant authority from time to time.

The relevant authority may readmit only such defaulter who in its opinion:

1. Has paid up all dues to the Exchange, other trading members / clearing members and constituents;
2. Has no insolvency proceedings against him in a Court or has not been declared insolvent by any Court;
3. Has defaulted owing to the default of principals whom he might have reasonably expected to be good for their commitments;
4. Has not been guilty of bad faith or breach of the Bye Laws, Rules and Regulations of the Exchange;
5. Has been irreproachable in his general conduct.

6. TRADING MEMBERSHIP / CLEARING MEMBERSHIP

6.1 DISCIPLINARY JURISDICTION

The relevant authority may expel or suspend and/or fine under censure and/or warn and/or withdraw any of the membership rights of a trading member / clearing member if it be guilty of contravention, non-compliance, disobedience, disregard or evasion of any of the Bye Laws, Rules and Regulations of the Exchange or of any resolutions, orders, notices, directions or decisions or rulings of the Exchange or the relevant authority or of any other Committee or officer of the Exchange authorised in that behalf or of any conduct, proceeding or method of business which the relevant authority in its absolute discretion deems dishonourable, disgraceful or unbecoming a trading member / clearing member or

inconsistent with just and equitable principles of trade or detrimental to the interests, good name or welfare of the Exchange or prejudicial or subversive to its objects and purposes.

6.2 PENALTY FOR MISCONDUCT, UNBUSINESSLIKE CONDUCT AND UNPROFESSIONAL CONDUCT

In particular and without in any way limiting or prejudicing the generality of the provisions in Rule 6.1 above, a trading member / clearing member shall be liable to expulsion or suspension or withdrawal of all or any of its membership rights and/or to payment of a fine and/or to be censured, reprimanded or warned for any misconduct, unbusinesslike conduct or unprofessional conduct in the sense of the provision in that behalf contained herein.

6.3 MISCONDUCT

A trading member / clearing member shall be deemed guilty of misconduct for any of the following or similar acts or omissions namely:

1. Fraud: If it is convicted of a criminal offence or commits fraud or a fraudulent act which in the opinion of the relevant authority renders it unfit to be a trading member / clearing member;
2. Violation: If it has violated provisions of any statute governing the activities, business and operations of the Exchange, trading members / clearing members and commodities business in general;
3. Improper Conduct: If in the opinion of the relevant authority it is guilty of dishonourable or disgraceful or disorderly or improper conduct on the Exchange or of willfully obstructing the business of the Exchange;
4. Breach of Rules, Bye Laws and Regulations: If it shields or assists or omits to report any trading member / clearing member whom it has known to have committed a breach or evasion of any Rule, Bye-law and Regulation of the Exchange or of any resolution, order, notice or direction thereunder of the relevant authority or of any Committee or officer or the Exchange authorised in that behalf;
5. Failure to comply with Resolutions: If it contravenes or refuses or fails to comply with or abide by any resolution, order, notice, direction, decision or ruling of the relevant authority or of any Committee or officer of the Exchange or other person authorised in that behalf under the Bye Laws, Rules and Regulations of the Exchange;
6. Failure to submit to or abide by Arbitration: If it neglects or fails or refuses to submit to arbitration or to abide by or carry out any award, decision or order of the relevant authority or the Arbitration Committee or the arbitrators made in connection with a reference under the Bye Laws, Rules and Regulations of the Exchange;
7. Failure to testify or give information: If it neglects or fails or refuses to submit to the relevant authority or to a Committee or an officer of the Exchange authorised in that behalf, such books, correspondence, documents and papers or any part thereof as may be required to be produced or to appeal and testify before or cause any of its partners, attorneys, agents, authorised representatives or employees to appear and testify before the relevant authority or such Committee or officer of the Exchange or other person authorised in that behalf;

8. Failure to submit Special Returns: If it neglects or fails or refuses to submit to the relevant authority within the time notified in that behalf special returns in such form as the relevant authority may from time to time prescribe together with such other information as the relevant authority may require whenever circumstances arise which in the opinion of the relevant authority make it desirable that such special returns or information should be furnished by any or all the trading members / clearing members;
9. Failure to submit Audited Accounts: If it neglects or fails or refuses to submit its audited accounts to the Exchange within such time as may be prescribed by the relevant authority from time to time.
10. Failure to compare or submit accounts with Defaulter: If it neglects or fails to compare its accounts with the Defaulters' Committee or to submit to it a statement of its accounts with a defaulter or a certificate that it has no such account or if it makes a false or misleading statement therein;
11. False or misleading Returns: If it neglects or fails or refuses to submit or makes any false or misleading statement in its clearing forms or returns required to be submitted to the Exchange under the Bye Laws, Rules and Regulations;
12. Vexatious complaints: If it or its agent brings before the relevant authority or a Committee or an officer of the Exchange or other person authorised in that behalf a charge, complaint or suit which in the opinion of the relevant authority is frivolous, vexatious or malicious;
13. Failure to pay dues and fees: If it fails to pay its subscription, fees, arbitration charges or any other money which may be due by it or any fine or penalty imposed on it.

6.4 UNBUSINESSLIKE CONDUCT

A trading member / clearing member shall be deemed guilty of unbusinesslike conduct for any of the following or similar acts or omissions namely:

1. Fictitious Names: If it transacts its own business or the business of its constituent in fictitious names or if he carries on business in more than one trading segment / clearing segment of the Exchange under fictitious names;
2. Fictitious Dealings: If it makes a fictitious transaction or gives an order for the purchase or sale of goods/commodities the execution of which would involve no change of ownership or executes such an order with knowledge of its character;
3. Circulation of rumours: If it, in any manner, circulates or causes to be circulated, any rumours;
4. Prejudicial Business: If it makes or assists in making or with such knowledge is a party to or assists in carrying out any plan or scheme for the making of any purchases or sales or offers of purchase or sale of commodities for the purpose of upsetting the equilibrium of the market or bringing about a condition in which prices will not fairly reflect market values;
5. Market Manipulation and Rigging: If it, directly or indirectly, alone or with other persons, effects transactions in any commodity to create actual or apparent active trading in

such commodity or raising or depressing the prices of such commodity for the purpose of inducing purchase or sale of such commodity/goods by others;

6. Unwarrantable Business: If it engages in reckless or unwarrantable or unbusinesslike dealings in the market or effects purchases or sales for its constituent's account or for any account in which it is directly or indirectly interested which purchases or sales are excessive in view of its constituent's or his own means and financial resources or in view of the market for such commodity/goods;
7. Compromise: If it connives at a private failure of a trading member / clearing member or accepts less than a full and bona fide money payment in settlement of a debt due by a trading member arising out of a transaction in goods/commodities;
8. Dishonoured Cheque: If it issues to any other trading member / clearing member or to its constituents a cheque which is dishonoured on presentation for whatever reasons;
9. Failure to carry out transactions with Constituents: If it fails in the opinion of the relevant authority to carry out its committed transactions with its constituents;

6.5 UNPROFESSIONAL CONDUCT

A trading member / clearing member shall be deemed guilty of unprofessional conduct for any of the following or similar acts or omissions namely:

1. Business in commodities in which dealings not permitted: If it enters into dealings in goods/commodities in which dealings are not permitted;
2. Business for Defaulting Constituent: If it deals or transacts business directly or indirectly or executes an order for a constituent who has within its knowledge failed to carry out engagements relating to commodities and is in default to another trading member / clearing member unless such constituent shall have made a satisfactory arrangement with the trading member / clearing member who is its creditor;
3. Business for Insolvent: If without first obtaining the consent of the relevant authority it directly or indirectly is interested in or associated in business with or transacts any business with or for any individual who has been bankrupt or insolvent even though such individual shall have obtained his final discharge from an Insolvency Court;
4. Business without permission when under suspension: If without the permission of the relevant authority it does business on its own account or on account of a principal with or through a trading member / clearing member during the period it is required by the relevant authority to suspend business on the Exchange;
5. Business for or with suspended, expelled and defaulter trading members / clearing members: If without the special permission of the relevant authority it shares brokerage with or carries on business or makes any deal for or with any trading member / clearing member who has been suspended, expelled or declared a defaulter;
6. Business for Employees of other trading members / clearing members: If it transacts business directly or indirectly for or with or executes an order for a authorised representative or employee of another trading member / clearing member without the written consent of such employing trading member / clearing member;

7. Business for Exchange Employees: If it makes a speculative transaction in which an employee of the Exchange is directly or indirectly interested;
8. Advertisement: If it advertises contrary to guidelines if any, issued by the Relevant Authority for advertisement by the Trading/Clearing Members.
9. Evasion of Margin Requirements: If it will fully evades or attempts to evade or assists in evading the margin requirements prescribed by relevant authority and/or in Bye Laws and Regulations;
10. Brokerage Charge: If it deviates from or evades or attempts to evade the Bye Laws and Regulations relating to charging and sharing of brokerage.

6.6 TRADING MEMBER'S / CLEARING MEMBER'S RESPONSIBILITY FOR PARTNERS, AGENTS AND EMPLOYEES

A trading member / clearing member shall be fully responsible for the acts and omissions of its authorised officials, attorneys, agents, authorised representatives and employees and if any such act or omission be held by the relevant authority to be one which if committed or omitted by the trading member / clearing member would subject it to any of the penalties as provided in the Bye Laws, Rules and Regulations of the Exchange then such trading member / clearing member shall be liable therefore to the same penalty to the same extent as if such act or omission had been done or omitted by itself.

6.7 SUSPENSION ON FAILURE TO PROVIDE MARGIN DEPOSIT AND/OR CAPITAL ADEQUACY REQUIREMENTS AND / OR DEPOSIT OR CONTRIBUTION TO SETTLEMENT FUND

The relevant authority shall require a trading member / clearing member to suspend its business when it fails to provide the margin deposits, deposits and contribution to Settlement Fund and/or meet capital adequacy norms as provided in these Bye Laws, Rules and Regulations and the suspension of business shall continue until it furnishes the necessary margin deposits, deposits and contribution to Settlement Fund or meet capital adequacy requirements. The relevant authority may expel a trading member / clearing member acting in contravention of this provision.

6.8 SUSPENSION OF BUSINESS

The relevant authority may require a trading member / clearing member to suspend its business in part or in whole:

1. Prejudicial Business: When in the opinion of the relevant authority, the trading member / clearing member conducts business in a manner prejudicial to the Exchange by making purchases or sales of goods/commodities or offers to purchase or sell goods/commodities for the purpose of upsetting equilibrium of the market or bringing about a condition of demoralisation in which prices will not fairly reflect market values, or]
2. Unwarrantable Business: When in the opinion of the relevant authority it engages in unwarrantable business or effects purchases or sales for its constituent's account or for any account in which it is directly or indirectly interested which purchases or sales

are excessive in view of its constituent's or its own means and financial resources or in view of the market for such commodity, or

3. Unsatisfactory Financial Condition: When in the opinion of the relevant authority it is in such financial condition that it cannot be permitted to do business with safety to its creditors or the Exchange.

6.9 REMOVAL OF SUSPENSION

The suspension of business under clause 6.8 above shall continue until the trading member / clearing member has been allowed by the relevant authority to resume business on its paying such deposit or on its doing such act or providing such thing as the relevant authority may require.

6.10 PENALTY FOR CONTRAVENTION

A trading member / clearing member who is required to suspend its business shall be expelled by the relevant authority if he acts in contravention of this provision.

6.11 TRADING MEMBERS / CLEARING MEMBERS AND OTHERS TO TESTIFY AND GIVE INFORMATION

A trading member / clearing member shall appear and testify before and cause its partners, attorneys, agents, authorised representatives and employees to appear and testify before the relevant authority or before other Committee(s) or an officer of the Exchange authorised in that behalf and shall produce before the relevant authority or before other Committee(s) or an officer of the Exchange authorised in that behalf, such books, correspondence, documents, papers and records or any part thereof which may be in its possession and which may be deemed relevant or material to any matter under inquiry or investigation.

6.12 PERMISSION NECESSARY FOR LEGAL REPRESENTATION

No person shall have the right to be represented by professional counsel, attorney, advocate or other representative in any investigation or hearing before the relevant authority or any other Committee unless the relevant authority or other Committee so permits.

6.13 EXPLANATION BEFORE SUSPENSION OR EXPULSION

A trading member / clearing member shall be entitled to be summoned before the relevant authority and afforded an opportunity for explanation before being suspended or expelled but in all cases the findings of the relevant authority shall be final and conclusive.

6.14 TEMPORARY SUSPENSION

1. Notwithstanding what is contained in clause 6.13 herein above if in the opinion of the Managing Director it is necessary to do so, he may, for reasons to be recorded in writing, temporarily suspend a trading member / clearing member, pending completion of the proceedings for suspension under this chapter by the relevant authority, and no notice of hearing shall be required for such temporary suspension and such temporary suspension shall have the same consequences of suspension under this chapter.

2. A notice to show cause shall be issued to the trading member / clearing member within five working days of such temporary suspension.
3. Any such temporary suspension may be revoked at the discretion of the Managing Director, for reasons to be recorded in writing, if the Managing Director is satisfied that the circumstances leading to the formations of opinion of the Managing Director to effect temporary suspension, have ceased to exist or are satisfactorily resolved.
4. A trading member / clearing member aggrieved by the temporary suspension may appeal to the relevant authority, provided that such appeal shall not automatically suspend the temporary suspension unless otherwise directed by the relevant authority.

6.15 IMPOSITION OF PENALTIES

The penalty of suspension, withdrawal of all or any of the membership rights, fine, censure or warning may be inflicted singly or conjointly by the relevant authority. The penalty of expulsion may be inflicted by the relevant authority.

6.16 PRE- DETERMINATION OF PENALTIES

The relevant authority shall have the power to pre-determine the penalties, the period of any suspension, the withdrawal of particular membership rights and the amount of any fine that would be imposed on contravention, non-compliance, disobedience, disregard or evasion of any Bye Law, Rules or Regulation of the Exchange or of any resolution, order, notice, direction, decision or ruling thereunder of the Exchange, the relevant authority or of any other Committee or officer of the Exchange authorised in that behalf.

6.17 COMMUTATION

Subject to the provision of the Securities Laws, the relevant authority in its discretion may in any case suspend a trading member / clearing member in lieu of the penalty of expulsion or may withdraw all or any of the membership rights or impose a fine in lieu of the penalty of suspension or expulsion and may direct that the guilty trading member / clearing member be censured or warned or may reduce or remit any such penalty on such terms and conditions as it deems fair and equitable.

6.18 RECONSIDERATION/REVIEW

Subject to the provisions of the Securities Laws, the relevant authority may of its own motion or on appeal by the trading member / clearing member concerned reconsider and may rescind, revoke or modify its resolution withdrawing all or any of the membership rights or fining, censuring or warning any trading member / clearing member. In a like manner the relevant authority may rescind revoke or modify its resolution expelling or suspending any trading member / clearing member.

6.19 FAILURE TO PAY FINES AND PENALTIES

If a trading member / clearing member fails to pay any fine or penalty imposed on it within such period as prescribed from time to time by the relevant authority after notice in writing has been served on it by the Exchange it may be suspended by the relevant authority until

it makes payment and if within a further period as prescribed from time to time it fails to make such payment it may be expelled by the relevant authority.

6.20 CONSEQUENCE OF SUSPENSION

The suspension of a trading member / clearing member shall have the following consequences namely:

- (1) Suspension of Membership Rights: The suspended trading member / clearing member shall during the terms of its suspension be deprived of and excluded from all the rights and privileges of membership including the right to attend or vote at any meeting of the general body of trading members / clearing members of the relevant segment, but it may be proceeded against by the relevant authority for any offence committed by it either before or after its suspension and the relevant authority shall not be debarred from taking cognizance of and adjudicating on or dealing with any claim made against it by other trading members / clearing members;
- (2) Rights of creditors unimpaired: The suspension shall not affect the rights of the trading members / clearing members who are creditors of the suspended trading member / clearing member;
- (3) Fulfillment of Contracts: The suspended trading member / clearing member shall be bound to fulfill contracts outstanding at the time of its suspension;
- (4) Further business prohibited: The suspended trading member / clearing member shall not during the terms of its suspension make any trade or transact any business with or through a trading member / clearing member provided that it may with the permission of the relevant authority close with or through a trading member / clearing member the transactions outstanding at the time of its suspension;
- (5) Trading members / clearing members not to deal: No trading member / clearing member shall transact business for or with or share brokerage with a suspended trading member / clearing member during the terms of its suspension except with the previous permission of the relevant authority.

6.21 CONSEQUENCES OF EXPULSION

The expulsion of a trading member / clearing member shall have the following consequences namely:

1. Trading membership / clearing membership rights forfeited: The expelled trading member / clearing member shall forfeit to the Exchange its right of trading membership / clearing membership and all rights and privileges as a trading member / clearing member of the Exchange including any right to the use of or any claim upon or any interest in any property or funds of the Exchange but any liability of any such trading member / clearing member to the Exchange or to any trading member / clearing member of the Exchange shall continue and remain unaffected by its expulsion;
2. Office vacated: The expulsion shall create a vacancy in any office or position held by the expelled trading member / clearing member;
3. Rights of Creditors unimpaired: The expulsion shall not affect the rights of the trading members / clearing members who are creditors of the expelled trading member / clearing member;

4. Fulfillment of Contracts and Obligations: The expelled trading member / clearing member shall be bound to fulfill transactions and obligations outstanding at the time of his expulsion and it may with the permission of the relevant authority close such outstanding transactions with or through a trading member / clearing member;
5. Trading / Clearing members not to deal: No trading member / clearing member shall transact business for or with or share brokerage with the expelled trading member / clearing member except with the previous permission of the relevant authority.
6. Consequences of declaration of defaulter to follow: The provisions of Chapter XII of the Bye Laws pertaining to default, shall become applicable to the Trading / Clearing Member expelled from the Exchange as if such Trading / Clearing Member has been declared a defaulter.

6.22 EXPULSION RULES TO APPLY

When a trading member / clearing member ceases to be such under the provisions of these Bye Laws otherwise than by death, default or resignation it shall be as if such trading member / clearing member has been expelled by the relevant authority and in that event all the provisions relating to expulsion contained in these Rules shall apply to such trading member / clearing member in all respects.

6.23 SUSPENSION OF BUSINESS

1. The relevant authority shall require a trading member / clearing member to suspend its business when it fails to maintain or provide further security as prescribed in the Bye Laws and Regulations and the suspension shall continue until it pays the necessary amount by way of security.
2. Penalty for Contravention: A trading member / clearing member who is required to suspend its business under clause 6.23 (1) shall be expelled by the relevant authority if it acts in contravention of the provisions of the Bye Laws.

6.24 NOTICE OF PENALTY AND SUSPENSION OF BUSINESS

Notice shall be given to the trading member / clearing member concerned and to the trading members / clearing members in general by a notice on the trading system or such other method as the Exchange may decide of the expulsion or suspension or default of or of the suspension of business by a trading member / clearing member or of any other penalty imposed on it or on its partners, attorneys, agents, authorised representatives or other employees. The relevant authority may in its absolute discretion and in such manner as it thinks fit notify or cause to be notified to the trading members / clearing members of the Exchange or to the public that any person who is named in such notification has been expelled, suspended, penalised or declared a defaulter or has suspended its business or ceased to be a trading member / clearing member. No action or other proceedings shall in any circumstances be maintainable by such person against the Exchange or the relevant authority or any officer or employee of the Exchange for the publication or circulation of such notification and the application for trading membership / clearing membership or the application for registration as the constituted attorney or authorised representative or by

the person concerned shall operate as license and the Bye Laws, Rules and Regulations shall operate as leave to print, publish or circulate such advertisement or notification and be pleadable accordingly.

Notwithstanding anything contained in these provisions, if in the opinion of the relevant authority it is necessary to do so, he may, for reasons to be recorded in writing, temporarily suspend forthwith the Trading / Clearing Member, pending completion of appropriate proceedings for suspension under this chapter by the relevant authority, and no notice of hearing shall be required for such temporary suspension and such temporary suspension shall have the same consequences of suspension under this chapter, provided that appropriate proceedings provided in this chapter shall be commenced by issue of a notice to show cause to the Trading / Clearing Member within 10 days of such temporary suspension. Any such temporary suspension may be revoked at the discretion of the relevant authority, for reasons to be recorded in writing, if the relevant authority is satisfied that the circumstances leading to the formation of opinion of the relevant authority to suspend, has ceased to exist or are satisfactorily resolved.

7. SAVINGS AND CONTINUATION

A. In pursuance of section 28A of the Forward Contracts (Regulation) Act, 1952 (FCRA) the Rules of the Exchange made under the FCRA (referred to as 'the existing Exchange Rules'), shall not be applicable after a period of one year from September 29, 2015 due to repeal of FCRA with effect from September 29, 2015. Notwithstanding such repeal, -

- (i) All actions or activities pursuant to trades executed under the provisions of the existing Exchange Rules, including but not limited to clearing, settlement, auctions, dispute resolution or arbitration and default redressal shall be undertaken and enforced under the corresponding provisions of these Rules.
- (ii) All rights and liabilities accruing under the existing Exchange Rules including but not limited to risk management measures such as maintenance of Investor Protection Fund and Settlement Fund shall continue to accrue under the corresponding provisions of these Rules.
- (iii) All eligible members of the Exchange or their agents granted admission to dealings or granted permission to access the trading platform of the Exchange in terms of the existing Exchange Rules, shall continue to exercise such rights in the Exchange in terms of the corresponding provisions of these Rules, subject to provisions of SCRA and the Rules and Regulations made thereunder and the SEBI act and the Rules and Regulations made thereunder and any directives or Circulars etc. issued by SEBI from time to time.
- (iv) Anything done or any action taken or purported to have been done or taken including any inspection, order, penalty, proceeding or notice, made, initiated or issued or any confirmation or declaration made or any license, permission, authorization or exemption granted, modified or revoked or any document or instrument executed, or any direction given under the existing Exchange Rules, shall be continued or enforced by the Exchange, in terms of the corresponding provisions of these Rules.

- (v) All violations of provisions of the existing Exchange Rules and any proceedings initiated or pending as on September 28, 2016, shall continue to be governed by the corresponding provisions of these Rules.

B. The Exchange, as directed by SEBI shall be empowered to issue clarifications with regard to any of the provisions of these Rules.

BYE-LAWS

PART A

1. DEFINITIONS

1. "Approved Laboratory" means a laboratory approved as such by the relevant authority for certifying the commodities as per specification prescribed in the Bye Laws, Rules and Regulations.
2. "Board" means Board of Directors of National Commodity & Derivatives Exchange Limited.
3. "Certified/Approved Warehouse" means a go-down or warehouse approved by the Exchange or any agency authorised by it and designated as such for making deliveries to and taking delivery of commodities.
4. "Clearing and Settlement" means clearing or settlement or clearing and settlement of deals in respect of contracts or commodities in such manner and subject to such conditions as may be specified by the Relevant Authority from time to time, unless the context indicates otherwise.
5. "Clearing Bank(s)" is such bank(s) as NCDEX may appoint to act as a funds settling agency, for the collection of margin money for all deals cleared through exchange and any other funds movement between clearing members and the Clearing House and between clearing members as may be directed by the Clearing House from time to time.
6. "Clearing House" means a division of the Exchange or any agency identified by the relevant authority or any independent entity such as Clearing Corporation set up and empowered suitably to act as a facilitator for processing of deliveries and payments between clearing members /trading members and participants for trades effected by them on the exchange.
7. "Clearing Member" means a person having clearing and settlement rights in any recognized clearing corporation and shall include any person having clearing and settlement rights on the Exchange.

Provided that such a clearing member of the Exchange shall be required to become a member of a recognized clearing corporation from such date as may be specified by the SEBI.

8. "Client/Constituent" means a person, on whose instructions and on whose account the Trading Member enters into a deal on the Exchange or Clearing Member clears and settles deals. For this purpose the term "Client" shall include all registered constituents of Trading Members and Clearing Members of NCDEX.

9. "Closing Buy Transaction" means a buy transaction, which will have the effect of partly or fully offsetting a short position.
10. "Closing Sell Transaction" means a sell transaction, which will have the effect of partly or fully offsetting long position.
11. "Collateral" means money, fixed deposit receipt, bank guarantee, securities or any other transactions as specified by the exchange, offered as security deposit, margin deposit or as such security for any other transaction as required by the exchange.
12. "Goods" mean the meaning assigned to it in section 2 (bb) of SCRA.
- 12A. "Commodity Derivative" shall have the meaning as assigned to it in section 2 (bc) of SCRA.
13. "Contract" means a contract for or relating to the purchase or sale of securities and which is specifically approved by SEBI for trading on the Exchange.
14. "Deal" means, unless the context indicates otherwise, a trade, contract, transaction or a deal which is admitted for trading and cleared and settled, through the Clearing House of the exchange or as prescribed by the exchange.
15. "Delivering Member" means a clearing member who has to or has delivered commodities or documents of title or other relevant documents for commodities in fulfilment of contract to which these Bye Laws, Rules and Regulations apply unless the context indicates otherwise.
16. "Delivery month" means the month in which a contract is required to be finally settled as prescribed by the relevant authority from time to time.
17. "Delivery Period" means the period during which the delivering member notifies his intent to deliver and or deliver commodities for physical settlement as per the procedures prescribed by the exchange.
18. "Exchange" means National Commodity and Derivatives Exchange Limited and the premises and/ or the system for executing transactions in commodity derivatives or any other products/ securities that are permitted and/ or approved by SEBI.
19. "Expiration Day" is the day on which the final settlement obligation is determined in the contract or deal.
20. *****Deleted*****
21. "Futures Contract" means a legally binding agreement to buy or sell the underlying asset in the future.

22. "Godown/Warehouse" means any structure/facility meant for storing and preserving the commodities approved in this behalf by the relevant authority from time to time.
23. "Last Trading Day" means the day upto and on which a deal or contract is available for trading.
24. "Long Position" in a contract means outstanding purchase obligations in respect of a permitted contract or commodity at any point of time.
25. "Market-Maker" means a trading member registered under the Bye Laws of NCDEX.
26. "Open Position" means the sum of the long and short positions of the member and his constituent in any or all of the contracts or commodities outstanding with the Clearing House.
27. "NCDEX" means the National Commodity & Derivatives Exchange Limited.
28. "Official List" means the list including the contracts or commodities admitted or permitted for trading on the exchange.
29. "Opening Buy Transaction" means a buy transaction which will have the effect of creating or increasing a long position.
30. "Opening Sell Transaction" means a sell transaction, which will have the effect of creating or increasing a short position.
31. "Open Interest" means the total number of contracts or deals of an underlying commodity that have not been offset and closed by an opposite transaction nor fulfilled by delivery of the cash or underlying commodity.
32. "Regulations", unless the context indicates otherwise, includes business rules, code of conduct and such other regulations prescribed by the relevant authority from time to time for the operations of the Exchange and these shall be subject to the provisions of the Securities Laws, and directives of SEBI and such other directives and provisions of relevant authority as may be specified from time to time.
33. "Relevant Authority" means the Board or such other authority as specified by the Board from time to time as relevant for a specified purpose.
34. "Rules", unless the context indicates otherwise, means rules as intimated for regulating the activities and responsibilities of trading members and clearing members of NCDEX and as prescribed by the relevant authority from time to time for the constitutions, organisation and functioning of the Exchange and these rules shall be subject to the provisions of the Securities Laws, Rules and directives of SEBI and relevant authority.
- 34A. "SCRA" means Securities Contracts (Regulation) Act, 1956 and amendments thereto.

- 34B. "SCRR" means Securities Contracts (Regulation) Rules, 1957 and amendments thereto.
- 34C. "SEBI" means Securities and Exchange Board of India constituted under SEBI Act, 1992.
- 34D. "SEBI Act" means the Securities and Exchange Board of India Act, 1992 and amendments thereto.
- 34E. "Stock Broker Regulations" means SEBI (Stock Brokers and Sub-Brokers) Regulations, 1992 and amendments thereto.
- 34F. "SECC Regulations" means Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2012 and amendments thereto.
- 34G. "Securities Laws" means the SEBI Act, 1992, SCRA, 1956, Depositories Act, 1996 and any rules, regulations, circulars, guidelines, or directions issued thereunder."
35. "Settlement Date" means the date on which the settlement of outstanding obligations in permitted contracts and deals are required to be settled as provided in the Bye laws, Rules and Regulations.
36. "Short Position" in a contract or deal means outstanding sell obligation in respect of permitted contracts or commodities at any point of time.
37. "Settlement Fund" means a fund established and maintained in accordance with the relevant provisions of the Bye Laws.
- 37A. "Self-Clearing Member" means the self-clearing member as defined in Regulations 2 (1) (fa) of the Stock Broker Regulations.
- 37B. "Stock Broker" means the Stock Broker as defined in Regulation 2 (1) (gb) of the Stock Broker Regulations.
38. "Trading Cycle" means the period as notified by the exchange from time to time, during which the contracts and deals will be available for trading.
39. "Trading Member" means a person having trading rights in NCDEX and includes a stock broker".
40. "Trading Segments" or "Segments" mean the different segments or divisions of NCDEX as may be classified and specified by the Board or relevant authority from time to time.
41. "Trading system of the NCDEX" means a system which carries out trade matching and allied functions and makes available to trading members and the investing public, by whatever method, quotations in NCDEX contracts or commodities and disseminates information

regarding trades effected, volumes or any other relevant matter, etc. and such other notifications as may be placed thereon by the relevant authority.

42. "Receiving Member" means a clearing member who has to receive or has received documents of title or other relevant documents in fulfilment of contracts to which these Rules, Bye Laws and Regulations apply unless the context indicates otherwise.
43. "Warehouse Receipts" means a document issued by a certified warehouse in the manner and form stipulated by the Exchange or relevant authority from time to time shall be deemed to be proof as to the availability of the deliverable commodities for apportionment as per the delivery orders released by the Clearing House of the Exchange and shall include warehouse receipts in electronic form as may be prescribed by Relevant Authority.

2. TRADING SEGMENTS

1. There may be more than one trading segment as may be specified by the relevant authority from time to time.
2. The relevant authority will specify contracts and/or commodities, which will be eligible for admission to the different trading segment from time to time.

3. REGULATIONS

1. The Board or relevant authority may prescribe Regulations from time to time for the functioning and operations of the Exchange and the Clearing House and to regulate the functioning and operations of the trading and/or clearing members of the Exchange.
2. Without prejudice to the generality of Bye law (1) above, the Board or relevant authority may prescribe regulations from time to time, inter alia, with respect to:
 - a. Norms, procedures, terms and conditions to be complied with for inclusion of a contract or commodity in the Official List of Exchange;
 - b. Norms and procedures for admission of trading and/or clearing members;
 - c. Norms and procedures for approval of market-makers;
 - d. Forms and conditions of contracts to be entered into, and the time, mode and manner for performance of contracts between trading members inter se or between trading members and their constituents and between clearing members inter se or between clearing members and their constituents or between clearing members and trading members and fee chargeable by clearing members;

- e. Norms, procedures, terms and conditions to be complied with for admission of deals for clearing and settlement by the Clearing House of the Exchange;
- f. Norms, procedures, terms and conditions for clearing and settlement of deals for different clearing segments and different contracts / commodities;
- g. Norms, procedures, terms and conditions for guaranteed settlement by the Exchange;
- h. Determination from time to time, of fees, system usage charges, deposits, margins and other monies payable to the Exchange by trading members, clearing members, participants or any other intermediaries;
- i. Prescription, from time to time, of the scale of brokerage chargeable by trading members and fee chargeable by clearing members;
- j. Prescription, from time to time, of capital adequacy and other norms which shall be required to be maintained by trading and/or clearing members;
- k. Supervision of the market and promulgation of such Business Rules and Codes of Conduct as it may deem fit;
- l. Maintenance of records and books of accounts by trading members and/or clearing members and all the other intermediaries as it may deem fit and records as required by the Exchange;
- m. Inspection and audit of records and books of accounts;
- n. Prescription, from time to time, and administration of penalties, fines and other consequences, including suspension/expulsion for defaults or violation of any requirements of the Bye Laws and Regulations and the Rules and Codes of Conduct and criteria for readmission, if any promulgated hereunder;
- o. Disciplinary action/procedures including withdrawal of trading facilities, suspension, declaration as defaulter, expulsion etc. against any trading and/or clearing member and other intermediaries;
- p. Settlement of disputes, complaints, claims arising between trading members inter se, clearing members inter se, as well as between trading members and clearing members and persons who are not trading members or clearing members relating to any transaction in contracts or commodities made on the Exchange including settlement by arbitration;
- q. Norms and procedures for arbitration;
- r. Administration, maintenance and investment of the corpus of the Fund(s) set up by the Exchange including Settlement Fund(s);

- s. Norms and procedures for settlement and clearing of deals, including establishment and functioning of Clearing House or other arrangements for clearing and settlement including administration, maintenance and investment of the corpus of the Fund(s) set up by the Exchange including Settlement Guarantee Fund;
- t. Norms and procedures in respect of, incidental or consequential to closing out of contracts, deals or transactions;
- u. Norms and procedures for approval, certification and inspection of warehouses, allied facilities and laboratories;
- v. Norms and procedures pertaining to delivery mechanism to meet contractual obligations including gradation of commodities;
- w. Dissemination of information, announcements to be placed on the trading system;
- x. Prescribe norms and procedure for ware houses, allied facilities and laboratories;
- y. Any other matter as may be decided by the Board.

4. DEALINGS IN CONTRACTS OR COMMODITIES

4.1 DEALINGS ALLOWED

Subject to the provisions of SCRA in force and rules framed hereunder and requisite permissions required from SEBI or any other authority, dealings in contracts or commodities shall be permitted on the Exchange as provided for in these Bye Laws and Regulations and save as so provided, no other dealings are permitted.

4.2 ADMISSION OF CONTRACTS OR COMMODITIES TO DEALINGS

Dealings are permitted on the Exchange in accordance with the provisions prescribed in these Bye Laws and Regulations in that behalf, in contracts or commodities which are, from time to time, permitted to trade on the trading segments by the relevant authority.

The relevant authority may admit from time to time contracts or commodities, which are permitted to trade on the Exchange.

4.3 PROHIBITED DEALINGS

The relevant authority may prohibit or withdraw dealings on the Exchange in any contract or commodity.

4.4 SUSPENSION OF ADMISSION TO DEALINGS ON THE EXCHANGE

The relevant authority may suspend at any time the admission to dealings on the Exchange granted to any contract or commodity for such period as it may determine. At the expiration or

prior to the expiration of the period of suspension the relevant authority may reinstate such contract or commodity subject to such conditions, as it deems fit.

4.5 READMISSION TO DEALINGS ON THE EXCHANGE

The relevant authority in its discretion may, readmit to dealings on the Exchange the contracts or commodities whose admission to dealings has been previously withdrawn.

5. TRADING MEMBERS

5.1 APPOINTMENT AND FEES

- 1.** The relevant authority may admit trading members in accordance with the Bye Laws, Rules and Regulations it may frame from time to time in accordance with the SCRA or any other relevant enactment.
- 2.** The relevant authority may specify prerequisites, conditions, formats and procedures for application for admission, termination, re-admission etc. of trading members to each trading segment. The relevant authority may, at its absolute discretion, refuse permission to any applicant to be appointed as trading member.
- 3.** The trading member shall pay such fees, security deposits and other monies as may be specified by the Board or the relevant authority from time to time, and meet such prerequisite condition as may be specified from time to time, on admission as trading member and for continued admission. The fees, security deposits, other monies and any additional deposits paid, whether in the form of cash, Bank Guarantee, Securities, fixed deposit receipt, warehouse receipt, or otherwise, with the Exchange, by a trading member from time to time, shall be subject to a first and paramount lien for any sum due to the Exchange and all other claims against the trading member for due fulfilment of engagements, obligations and liabilities of trading members arising out of or incidental to any dealings made subject to and in accordance with the Bye laws, Rules and Regulations of the Exchange. The Exchange shall be entitled to adjust or appropriate such fees, deposits and other monies for such dues and claims, to the exclusion of the other claims against the trading member, without any reference to the trading member.
- 4.** Trading member of any trading segment may trade on the Exchange in the contracts or commodities applicable to that segment or such contracts or commodities as may be specified by the exchange for such class of trading members.
- 5.** Trading members may trade in relevant contracts or commodities either on their own account as principals or on behalf of their clients unless otherwise specified by the relevant authority and subject to such conditions, which the relevant authority may prescribe from time to time. They may also act as market-makers in such commodities if they are so authorised and subject to such conditions as may be prescribed by the relevant authority from time to time.

5.2 CONDITIONS

1. Trading members shall adhere to the Bye Laws, Rules and Regulations of the Exchange and shall comply with such operational parameters, rulings, notices, guidelines and instructions of the relevant authority as may be applicable.
2. All contracts issued for trades on the Exchange shall be in accordance with the Bye Laws, Rules and Regulations of the Exchange.
3. Trading members shall comply with such Exchange requirements as may be prescribed by the relevant authority from time to time with regard to advertisements and issue of circulars in connection with their activities as trading members.
4. Trading members shall furnish declarations relating to such matters and in such forms as may be prescribed by the relevant authority from time to time.
5. Trading members shall furnish to the Exchange an Auditors' Certificate certifying that specified Exchange requirements as may prescribed from time to time by the relevant authority pertaining to their operations have been complied with.
6. Trading members shall furnish such information and periodic returns pertaining to their operations as may be required by the relevant authority from time to time within such period of time that the Exchange may stipulate.
7. Trading members shall furnish to the extent such audited and/or unaudited financial or quantitative information and statements as may be required by the relevant authority from time to time.
8. Trading members shall extend full co-operation and furnish such information and explanation as may be required for the purpose of any inspection or audit authorised by the relevant authority or other authorised official of the Exchange into or in regard to any trades, dealings, their settlement, accounting and/or other related matters.
9. A trading member shall allow operation of its trading terminal only at its registered office, branch offices or such other place as may be permitted by the Exchange from time to time.
10. Trading members shall,
 - a. with respect to any trading software permitted by the Exchange for use by them, obtain necessary clearance after testing of such Software in the manner required by the Exchange; and
 - b. execute and submit necessary documents and undertakings as may be required from time to time; and
 - c. in the event of any malfunction of software used by them, be liable to pay such penalty, as may be stipulated by the Exchange.

6. DEALINGS BY TRADING MEMBERS

6.1 JURISDICTION

1. Any deal entered into through automated trading system of the Exchange for buying or selling or any acceptance of any such proposal for buying and selling shall be deemed to have been entered at the computerised processing unit of the Exchange at Mumbai and the place of contracting as between the trading members shall be at Mumbai. The trading members of the Exchange shall expressly record on their contract note that they have excluded the jurisdiction of all other Courts save and except, Civil Courts in Mumbai in relation to any dispute arising out of or in connection with or in relation to the contract notes, and that only the Civil Courts at Mumbai have exclusive jurisdiction in claims arising out of such dispute. The provisions of this section shall not object the jurisdiction of any court deciding any dispute as between trading members and their constituents to which the Exchange is not a party.
2. The record of the Exchange as maintained by a central processing unit or a cluster of processing units or computer processing units, whether maintained in any register, magnetic storage units, electronic storage units, optical storage units or computer storage units or in any other manner shall constitute the agreed and authentic record in relation to any transaction entered into through automated trading system. For the purposes of any dispute the record as maintained by the computer processing units by the Exchange shall constitute valid evidence in any dispute or claim between the constituents and the trading member of the Exchange or between the trading members of the Exchange inter-se.

6.2 INDEMNITY

The Exchange shall not be liable for any unauthorised dealings on the Exchange by any persons acting in the name of trading member(s).

6.3 TRADING MEMBERS ONLY PARTIES TO TRADE

The Exchange does not recognise as parties to any deal any persons other than its own trading members.

Every trading member is directly and wholly liable, in accordance with the Bye Laws, Rules and Regulations of the Exchange, to every other trading member with whom such trading member effects any deal on the Exchange for due fulfilment of the deal, whether such deal be for account of the trading member effecting it or for account of a constituent.

6.4 ALL DEALINGS SUBJECT TO BYE LAWS, RULES AND REGULATIONS

All dealings in contracts or commodities on the Exchange made in accordance with the Byelaws, Rules and Regulations of the Exchange shall be deemed made subject to the Bye Laws, Rules and Regulations of the Exchange and this shall be a part of the terms and conditions of all such deals and the deals shall be subject to the exercise by the relevant

authority of the powers with respect thereto vested in it by the Bye Laws, Rules and Regulations of the Exchange.

6.5 INVIOABILITY OF TRADE

1. All the dealings in contracts or commodities on the Exchange made subject to and in accordance with the Bye Laws, Rules and Regulations of the Exchange shall be in-violable and shall be cleared and settled in accordance with the Bye Laws, Rules and Regulations of the Exchange. However, the Exchange may by a notice annul the deal(s) on an application by a Trading Member in that behalf; if the relevant authority is satisfied after hearing the other party/parties to the deal(s) that the deal(s) is/are fit for annulment on account of fraud or wilful misrepresentation or material mistake in the trade.
2. Notwithstanding anything contained in clause (1) above, the Exchange may, to protect the interest of constituents in contracts or commodities and for proper regulation of the commodities market, suo moto annul deal(s) at any time if the relevant authority is satisfied for reasons to be recorded in writing that such deal(s) is/are vitiated by fraud, material mistake, misrepresentation or market or price manipulation and the like.
3. Any annulment made pursuant to clauses (1) and (2) above, shall be final and binding upon the parties to trade(s). In such an event, the trading member shall be entitled to cancel the relevant contracts with its constituents.

6.6 DEALS BY REPRESENTATIVE TRADING MEMBERS

1. A trading member may authorise another trading member to act as a representative for a specified period with the prior permission of the relevant authority.
2. When a trading member employs another trading member as a representative to put through the transaction of a constituent such representative shall report the transaction to the employing trading member at the same price as dealt in the market and the employing trading member shall report the same price to the constituent in respect of such transaction.

6.7 RESTRICTION ON THE TRADING MEMBERS

1. Unless the Exchange otherwise specifies, a Trading Member shall not become a constituent of another Trading Member.
2. Prohibition from Trading: A trading member should not trade in his own name or through another trading member in any contracts or commodities, if the Exchange or **SEBI** prohibits him from entering into any such contracts.

6A. AUTHORISED PERSON

6A.1 AUTHORISED PERSON

6A.1.1 Any deal entered into through automated trading system of the Exchange for buying or selling or any acceptance of any such proposal for buying and selling

6A.1.2 "Authorized Person" means and includes any person whether being an individual (including proprietors), a partnership firm as defined under the Indian Partnership Act, 1942, a Limited Liability Partnership (LLP) as defined under the Limited Liability Partnership Act, 2008, a body corporate as defined under the Companies Act, 1956, or a Co-operative Society as defined under the Cooperative Societies Act, 1912/Multi State Cooperative Societies Act, 2002/any other respective State/UT Cooperative Society Act (including federations of such cooperative societies), who is appointed as such by a Member of the Exchange upon the approval of Exchange, for providing access to the trading platform of the Exchange, as an agent of the Member of the Exchange.

6A.2 APPOINTMENT OF AUTHORISED PERSON

6A.2.1 Member(s) of the Exchange may appoint one or more Authorized Persons after obtaining specific prior approval from the Exchange.

6A.2.2 The approval as well as the appointment shall be specific for each such Authorized Person.

6A.3 APPOINTMENT OF AUTHORISED PERSON

6A.3.1 A Member of the Exchange may apply to the Exchange in such format as may be notified by the Exchange for appointment of "Authorized Person".

6A.3.2 On receipt of the application for approval of the appointment of an Authorized Person from its Member, the Exchange may:-

- a. accord approval on satisfying itself that the person is eligible for appointment as Authorised Person; or
- b. refuse approval on satisfying itself that the person is not eligible for appointment as Authorised Person;

6A.3.3 The Exchange will have the discretion to refuse or withdraw permission, if any, granted/to be granted to any Authorized Person at any time without assigning any reason, if the Exchange, in its absolute discretion, considers such refusal or withdrawal to be in the interest of the market

6A.4 ELIGIBILITY CRITERIA

6A.4.1 Individuals

An individual is eligible to be appointed as "Authorised Person", if he/she:

- a. is a Citizen of India;
- b. is not less than 18 years of age;
- c. has not been convicted of any offence involving fraud or dishonesty;
- d. in case, he/she has been suspended or barred by any Stock or Commodity Exchange for a period of more than six continuous calendar months, a period of at least three years has elapsed from the of completion of the period of suspension;
- e. has good reputation and character;

- f. has passed atleast 10th standard or equivalent examination from an institution recognized by the Central/State Government; and
- g. possess such certification that may be prescribed by the Exchange, as approved by the SEBI from time to time.

6A.4.2 A Partnership Firm, LLP Or A Body Corporate A partnership firm, LLP or a body corporate is eligible to be appointed as Authorized Person:

- a) if all the partners or directors, as the case may be, comply with the requirements contained in Bye-law 6A.4.1 above;
- b) the object clause of the partnership deed or of the Memorandum of Association contains a clause permitting the person to deal in commodities derivatives contracts;

6A.4.3 A cooperative society shall be eligible to be appointed as an Authorized Person:

- a) If all the Members/Directors by whatever name called, of the Managing Committee/Governing Body comply with the requirements contained in clause 6A.4.1 above. However, in respect of clause 6A.4.1.(f) above, the Exchange may at its discretion relax the criteria of the Educational qualifications.
- b) If the object clause of the Memorandum of Association of the Co-operative society contains a clause permitting the Co-operative society to deal in commodities derivatives contracts. The eligibility criteria as detailed above may be added or amended from time to time as per directives or guidelines issued by the SEBI.

6A.4.4 Infrastructure:

The Authorized Person must have necessary infrastructure, viz., adequate office space, equipment, manpower and such other infrastructural facilities, which the Exchange may prescribe from time to time, to effectively discharge the activities on behalf of the Member.

6A.5. CONDITIONS OF APPOINTMENT

6A.5.1 On being appointed as an "Authorized Person" of a Member of the Exchange, such person or entity shall not, during continuation of being an Authorized Person of such Member, qualify for becoming Authorized Person of any other Member of the Exchange

6A.5.2 No director of a Member (if Member is a company under the Companies Act) or a partner of the Member (if Member is a partnership firm or a LLP) or a Member/Director of the Managing Committee/ Governing Body of a Member (if the Member is a co-operative society) shall be eligible to become an "Authorized Person" of any other Member of the Exchange in which its company, partnership firm, LLP or co-operative society as the case may be, is a member.

6A.5.3 The Authorized Person shall not receive or pay any money or deal in deliveries of commodities in its own name or account. All receipts and payments of money and dealings in commodities shall be in the name or account of the concerned Member.

6A.5.4 The Authorized Person shall receive his remuneration - fees, charges, commission, salary, etc. - for his services only from the Member of which it is an "Authorized Person" and he shall not charge any amount under whatever head from the Clients of the Member.

6A.5.5 All acts of omission and commission of the Authorized Person shall be deemed to be those of the Member.

6A.5.6 The Member and the "Authorized Person" shall enter into written agreement(s) in the forms specified by the Exchange. The agreement shall, inter alia, cover scope of the activities, responsibilities, confidentiality of information, conditions for appointment as "Authorized Persons" as prescribed in this chapter or as may be directed by the SEBI from time to time, particulars of remuneration (whether by way of salary, commission, allowance or otherwise), termination clause, etc.

6A.5.7 The permission granted by the Exchange for any Authorized Person is only to facilitate the Members to trade on the Exchange platform through persons authorized by them and such permission shall not be construed in any manner whatsoever to waive, reduce or affect the liability and responsibility of the Member in such matter.

6A.6. WITHDRAWAL OF APPROVAL

The Exchange may withdraw approval given to an Authorized Person:

6A.6.1 On receipt of a request to that effect from the Member or the Authorized Person concerned, subject to compliance with the requirements as may be prescribed by the Exchange.

6A.6.2 On being satisfied that the continuation of the Authorized Person is detrimental to the interests of investor/s or the commodities market.

6A.6.3 On such Authorized Person becoming ineligible under Bye-law 6A.4.1 of this chapter, at a subsequent date.

6A.6.4 Upon the directions of the SEBI.

6A.7. OBLIGATIONS OF THE MEMBER

6A.7.1 The Member shall enter into an agreement prescribed by the Exchange with each of such Authorized Persons after receipt of communication of acceptance of such Authorized Persons by the Exchange.

6A.7.2 The Member shall permit the Authorized Person to admit or introduce Clients and accept orders from the Clients on their behalf only after execution of the Agreement as stated at Bye-law 6A.7.1 above.

6A.7.3 The Member shall be responsible for all acts of omission and commission of his Authorized Person and/or their employees, including liabilities arising therefrom.

6A.7.4 If any trading terminal is provided by the Member to an "Authorized Person", the place where such trading terminal is located shall be treated as branch office of the Member.

6A.7.5 The Member shall display at each such branch office, additional information such as particulars of Authorized Person in charge of that branch, terms and conditions of his appointment, time lines for dealing through Authorized Person, etc., as may be specified by the Exchange.

6A.7.6 The Member shall notify changes, if any, in the Authorized Person to all registered Clients of that branch at least 15 days before the change.

6A.7.7 The Member shall conduct periodic inspection of the branches assigned to Authorized Persons and records of the operations carried out by them, as prescribed by the Exchange.

6A.7.8 It shall be the responsibility of the Member to audit the records of its Authorized Person to ensure that they comply with the Rules, Bye-laws and Regulations of the Exchange.

6A.7.9 The Client dealing through an Authorized Person shall be registered with the Member only. The funds, monies, commodities or warehouse receipts or electronic credit of commodities, as the case may be, of the Clients shall be settled directly between the Member and Client. No fund or commodities of the Clients shall be transferred/ deposited/credited into any account of an Authorized Person.

6A.7.10 All documents like contract notes, statement of funds and commodities etc. would be issued by the Member to the Client. Authorized Person may provide administrative assistance in procurement of documents and settlement, but shall not issue any document to Client in its own name.

6A.7.11 On noticing irregularities, if any, in the operations of an Authorized Person, the Member shall forthwith seek withdrawal of approval, withhold all monies due to such Authorized Person till resolution of Client grievances, alert Clients in the location where the Authorized Person operates, file a complaint with the police, and take all measures as may be required to protect the interest of its Clients and the market.

6A.7.12 Members shall ensure that no orders are executed at the Authorized Person's end before all documents as prescribed by the Exchange or the SEBI, as the case may be, including the Member and Constituents agreement, Client Registration Form and Risk Disclosure Document or such other documents as prescribed by the Exchange or the SEBI are obtained from each such Client.

6A.7.13 Uploading of details pertaining to the Unique Client Code shall be the responsibility of the Member and the Authorised Person cannot create or allot Unique Client Code to any Client.

6A.7.14 All documents as mentioned in these Byelaws with specific reference to Bye-laws 6A.7.12 and 6A.7.13 above, should be available with the Member for audit and inspection as and when required by the Exchange or the SEBI.

6A.8. OBLIGATIONS OF THE EXCHANGE

6A.8.1 The Exchange shall maintain a database of all the Authorised Persons, which shall include the following:

- a. Permanent Account Number (PAN) of Authorised Person and in case of partnership or body corporate, PAN number of all the partners or directors as the case may be along with photographs, PAN number of all the Members/Directors by whatever name called, of the

Managing Committee/ Government Body of a Co-operative society along with photographs.

- b. Details of the member with whom the Authorised Person is registered.
- c. Location of the branch assigned to the Authorised Person.
- d. Number of terminals and their details, given to each Authorized Person.
- e. Withdrawal of approval of an Authorised Person.
- f. Change in status of constitution of Authorized Person.
- g. Disciplinary action taken by the Exchange against any member for violations of the Securities Laws, Bye-Laws, of the SEBI or the Exchange, as the case may be, by the Authorised Person.

6A.8.2 While conducting the inspection of the Member, the Exchange may also conduct inspection of the branches where the terminals of Authorized Persons are located and records of the operations carried out by them.

6A.8.3 Any dispute between a Client and an Authorized Person shall be treated as a dispute between the Client and the Member and the same shall be redressed by the Exchange accordingly under the Rules, Bye Laws and Regulations of the Exchange for all purposes and actions.

6A.8.4 In case of withdrawal of approval of an Authorized Person due to disciplinary action or upon the regulatory directive, the Exchange shall issue a press release and disseminate the names of such Authorized Persons on its website citing the reason for withdrawal or cancellation of approval.

7. TRADING SYSTEM AND MARKET MAKERS

Contracts or commodities, which will be eligible for market making, if at all, will be specified by the relevant authority from time to time.

The Exchange may prescribe from time to time the criteria for eligibility of market makers, procedure for registration, functions, rights, liabilities of market makers, suspension and prohibition of market makers and operational parameters for market makers.

8. TRANSACTIONS

8.1 BUSINESS HOURS

1. The business hours for dealing in contracts or commodities in different segments on the Exchange shall be during such time as may be decided by the relevant authority from time to time. The relevant authority may, from time to time, specify business hours for different types of deals.

2. The relevant authority may declare a list of holidays in a calendar year. The relevant authority may from time to time alter or cancel any of the Exchange holidays fixed in accordance with these provisions. It may, for reasons to be recorded, close the market on days other than or in addition to holidays.

8.2 TRADING SYSTEM

1. The Exchange may make arrangement for Disaster Recovery Site (DRS) and/or Near Site (NS) as a part of its Business Continuity Plan and Disaster Recovery management plan.
2. Deals may be affected through order driven, quote driven (market makers) or such other system as the Exchange may put in place for the trading segments from time to time.
3. Deals between trading members may be effected by electronic media or computer network or such other media as specified by the relevant authority from time to time.
4. Deals may be affected on ready delivery or on such basis as may be specified by the relevant authority from time to time, subject to the Securities Laws.

8.3 TRANSACTION AT BEST QUOTATION

In transaction with or on behalf of clients, trading members must indicate to the clients the current best quotation as reflected in the trading system

8.4 OPERATIONAL PARAMETERS FOR TRADING

The relevant authority may determine and announce by Regulations or otherwise, from time to time operational parameters regarding dealing of contracts or commodities on the Exchange which trading members shall adhere to.

The operational parameters may, inter alia, include:

- a) Contract specifications such as date of commencement, last date of contract, delivery period, grades, delivery centers and all other conditions;
- b) Trading limits allowed which may include trading limits with reference to net worth and capital adequacy norms;
- c) Trading volumes and limits at which it will be incumbent for trading members to intimate the Exchange;
- d) Limit of spread between bid and offer rates for different contracts or commodities, if found necessary;
- e) Fixation of market lots, odd lots and/or minimum number and size of contracts or commodities to be offered to be bought or sold;

- f) Limit of variation within a day or between days in bid and offer prices;
- g) Other matters which may affect smooth operation of trading in contracts or commodities keeping in view larger interest of the public;
- h) The types of trades permitted for a member and a contract or commodity;
- i) The functional details of the trading system including the system design, users, infrastructure, system operation.

8.5 SUSPENSION / CLOSE OUT OF POSITIONS ON FAILURE TO MEET TRADING LIMITS

A trading member failing to restrict dealings on the Exchange to his trading limits as provided in these Bye Laws and Regulations may be required by the relevant authority to reduce dealings to within trading limits forthwith or the relevant authority may close out the positions of such trading members. The relevant authority may also at its discretion suspend a trading member for violation of trading limits and the suspension shall continue until the relevant authority withdraws such suspension

8.6 CONTRACT NOTES

Contract Notes shall be issued within such period as may be specified by the relevant authority from time to time for deals effected with clients or on behalf of clients, and will contain such details as the relevant authority may specify from time to time. The contract notes shall specify that the deal is subject to and in accordance with the Bye Laws, Rules and Regulations of the Exchange and subject to arbitration as provided therein and subject to the jurisdiction of the Civil Courts of Mumbai. The provisions of this section shall not object the jurisdiction of any court deciding any dispute as between trading members and their constituents to which the Exchange is not a party.

Details of all deals affected, as may be specified, shall be communicated to the Exchange on the day of the transaction.

Unless otherwise provided in these Bye Laws, all dealings carried out in respect of Exchange contracts or commodities shall be subject to and in accordance with the Bye Laws, Rules and Regulations of the Exchange.

8.7 BROKERAGE ON DEALINGS

8.7.1 Brokerage

Trading members are entitled to charge brokerage upon the execution of all orders in respect of purchase or sale of contracts or commodities at rates not exceeding the official scale prescribed by the relevant authority from time to time.

8.7.2 Sharing of Brokerage

- (a) A trading member shall not share brokerage with a person who –
 - (i) Is one for or with whom trading members are forbidden to do business under the Bye Laws, Rules and Regulations of the Exchange;
 - (ii) Is a trading member or employee in the employment of another trading member;
- (b) Irrespective of any arrangement for the sharing of brokerage with any person, the trading member shall be directly and wholly liable to every other member with whom such trading member effects any deal on the Exchange.

9. RIGHTS AND LIABILITIES OF TRADING MEMBERS AND CONSTITUENTS

9.1 ALL CONTRACTS SUBJECT TO BYE LAWS, RULES AND REGULATIONS

All contracts relating to dealings permitted on the Exchange made by a trading member in accordance with the Bye Laws, Rules and Regulations of the Exchange shall in all cases be deemed made subject to the Bye Laws, Rules and Regulations of the Exchange. This shall be deemed to be a part of the terms and conditions of all such contracts and shall be subject to the exercise by the relevant authority of the powers with respect thereto vested in it by the Bye Laws, Rules and Regulations of the Exchange.

9.2 TRADING MEMBERS NOT BOUND TO ACCEPT INSTRUCTIONS AND ORDERS

A trading member may not accept instructions or orders of constituents for purchase or sale of contracts or commodities where circumstances appear to justify such action or on reasonable grounds. Where such refusal is made, the same may be communicated to the constituent. The trading member shall also furnish the constituent the reasons for such refusal on a request being made by him.

9.3 MARGIN

A trading member shall have the right to demand from its constituent the margin deposit he has to provide under these Bye Laws, Rules and Regulations in respect of the business done by it for such constituent. A trading member shall also have the right to demand an initial margin in cash/ bank guarantee / fixed deposit receipts/ warehouse receipts or such other acceptable mode of collateral from its constituent before executing an order and/or to stipulate that the constituent shall make a margin deposit or furnish additional margin according to changes in market prices. The constituent shall when from time to time called upon to do so forthwith provide a margin deposit and/or furnish additional margin as required under these Bye Laws, Rules and Regulations in respect of the business done for him by and/or as agreed upon by him with the trading member concerned.

9.4 CONSTITUENT IN DEFAULT

A trading member shall not transact business directly or indirectly or execute an order for a constituent who to his knowledge is in default to another trading member unless such constituent shall have made a satisfactory arrangement with the trading member who is his creditor.

On the application of a creditor trading member who refers or has referred to arbitration its claim against the defaulting constituent as provided in these Bye Laws, Rules and Regulations, the relevant authority shall issue orders against any trading members restraining them from paying or delivering to the defaulting constituent any monies or collateral, up to an amount or value not exceeding the creditor member's claim payable or deliverable by him to the defaulting constituent in respect of transactions entered into subject to and in accordance with the Bye Laws, Rules and Regulations of the Exchange, which monies and securities shall be deposited with the Exchange. The monies, and collateral deposited shall be disposed of in terms of the award in arbitration and pending a decree shall be deposited with the concerned Court when filing the award unless the creditor member and the defaulting constituent mutually agree otherwise.

9.5 CLOSING-OUT OF CONSTITUENT'S ACCOUNT

1. The Exchange may close-out open positions of a constituent or transfer his open positions to another trading member under such circumstances and in respect of such trading segment of the Exchange as may be specified by the relevant authority from time to time.
2. When closing-out the account of a constituent a trading member may close-out in the open market and any expense incurred or any loss arising therefrom shall be borne by the constituent or assume or take over such transactions to his own account as a principal at prices which are fair and justified by the condition of the market. The contract note in respect of such closing-out shall disclose whether the trading member is acting as a principal or on account of another constituent.

9.6 CLOSING-OUT/ TRANSFER BY CONSTITUENT ON FAILURE TO PERFORM A CONTRACT

If a trading member fails to complete the performance of a contract by delivery or payment in accordance with the provisions of these Bye Laws, Rules and Regulations the constituent shall, after giving notice in writing to the trading member and Exchange, close-out such contract through any other trading member of the Exchange or make an application to the Exchange for transfer of contracts to another trading member as soon as possible and any loss or damages sustained as a result of such closing-out or transfer, as the case may be, shall be immediately payable by the defaulting trading member to the constituent. If closing-out or transfer be not effected as provided herein, the damages between the parties shall be determined on such basis as specified by the relevant authority from time to time and the constituent and the trading member shall forfeit all further right of recourse against each other.

9.7 NO LIEN ON CONSTITUENT'S COMMODITIES

If a trading member is declared a defaulter after delivering commodities on account of his constituent, the constituent shall be entitled to claim and on offering proof considered satisfactory by the relevant authority, and in the absolute discretion of the relevant authority, receive from the Exchange accordingly as the relevant authority directs either such goods / commodities or the value thereof subject to payment or deduction of the amount if any due by him to the defaulter.

9.8 COMPLAINT BY CONSTITUENT

When a complaint has been lodged by a constituent with the relevant authority that any trading member has failed to implement his dealings, the relevant authority shall investigate the complaint and if it is satisfied that the complaint is justified it may take such disciplinary action as it deems fit.

9.9 RELATIONSHIP BETWEEN TRADING MEMBER AND CONSTITUENTS

Without prejudice to any other law for the time being in force and subject to these Bye Laws, the mutual rights and obligations inter se between the trading member and his/its constituent shall be such as may be prescribed by the relevant authority from time to time.

10. DEFAULT - TRADING MEMBER

10.1 DECLARATION OF DEFAULT

A trading member may be declared a defaulter by direction / circular / intimation of the clearing member / notification of the relevant authority of the trading segment if:

- a) He is unable to fulfil his obligations; or
- b) He admits or discloses his inability to fulfil or discharge his duties, obligations and liabilities; or
- c) He fails or is unable to pay within the specified time the damages and the money difference due on a closing-out effected against him under these Bye Laws, Rules and Regulations; or
- d) He fails to pay any sum due to the Exchange or to submit or deliver to the Exchange on the due date, delivery and receipt orders, statement of differences and commodities, balance sheet and such other clearing forms and other statements as the relevant authority may from time to time prescribe; or

- e) He fails to pay or deliver to the Relevant Authority all monies, commodities and other assets due to a trading member who has been declared a defaulter within such time of the declaration of default of such trading member as the relevant authority may direct; or
- f) He fails to abide by the arbitration proceedings as laid down under the Bye Laws, Rules and Regulations
- g) He has been declared a defaulter in any other stock / commodity exchange
- h) He, being an individual and /or partnership firm, /it, being a company incorporated under the Companies Act, files a petition before a Court of Law for adjudication of himself as an insolvent or for its winding up, as the case may be.

10.2 FAILURE TO FULFILL OBLIGATIONS

The relevant authority may order a trading member to be declared a defaulter if he fails to meet an obligation to a trading member or constituent or clearing member arising out of Exchange transactions.

10.3 INSOLVENT A DEFAULTER

A trading member, being an individual and/or partnership firm, has been adjudicated as an insolvent or it, being a company incorporated under the Companies Act, has been ordered to be wound up by a Court of Law in the petition filed by any of his/its creditors, shall be declared although he/it may not have at the same time defaulted on any of his / its obligations on the Exchange provided however the time for preferring an appeal against such order under the applicable Acts, if any, has expired.

10.4 TRADING MEMBER'S DUTY TO INFORM

A trading member shall be bound to notify the Exchange immediately if there be a failure by any trading member to discharge his liabilities in full.

10.5 COMPROMISE FORBIDDEN

A trading member guilty of accepting from any trading member anything less than a full and bona fide money payment in settlement of a debt arising out of a transaction in contracts or commodities may be suspended for such period as the relevant authority may determine.

10.6 NOTICE OF DECLARATION OF DEFAULT

On a trading member being declared a defaulter a notice to that effect shall be placed forthwith on the trading system of the relevant trading segment.

10.7 DEFAULTER'S BOOK AND DOCUMENTS

When a trading member has been declared a defaulter, the Relevant Authority shall take charge of all his books of accounts, documents, papers and vouchers to ascertain the state of his affairs and the defaulter shall hand over such books, documents, papers and vouchers to the Relevant Authority as may be required by Relevant Authority to find out the obligations of the defaulting trading member towards Exchange, other trading members, constituents and clearing members.

10.8 LIST OF DEBTORS AND CREDITORS

The defaulter shall file with the Relevant Authority within such time of the declaration of his default as the relevant authority may direct a written statement containing a complete list of his debtors and creditors and the sum owing by and to each.

10.9 DEFAULTER TO GIVE INFORMATION

The defaulter shall submit to the Relevant Authority such statement of accounts, information and particulars of his affairs as the Relevant Authority may from time to time require and if so desired shall appear before the Committee at its meetings held in connection with its default.

10.10 INQUIRY

The Relevant Authority shall enter into a strict inquiry into the accounts and dealings of the defaulter in the market and shall report to the such authority as may be appointed by Board for this purpose, anything improper, un-businesslike or unbecoming a trading member in connection therewith which may come to its knowledge.

10.11 VESTING OF ASSETS IN THE EXCHANGE

The Relevant Authority shall call in and realise the security deposits in any form, collateral, margin money, other amounts lying to the credit of and commodities and securities deposited by the defaulter and recover all moneys, commodities, securities and other assets due, payable or deliverable to the defaulter by any other Trading Member in respect of any transaction or dealing made subject to and in accordance with the Bye-laws, Rules and Regulations of the Exchange and such assets shall vest ipso facto, on declaration of any trading member as a defaulter, in the Exchange for the benefit of and on account of any dues of the Exchange, other trading members, Constituents of the defaulter, approved banks and any other persons as may be approved by the Relevant Authority and other recognised Exchanges.

10.12 PAYMENT TO RELEVANT AUTHORITY

1. All monies, commodities and other assets due, payable or deliverable to the defaulter must be paid or delivered to the Relevant Authority within such time of the declaration of default as the relevant authority may direct. A trading member violating this provision shall be declared a defaulter.

2. A trading member who shall have received a difference on account or shall have received any consideration in any transaction prior to the date fixed for settling such account or transaction shall, in the event of the trading member from who he received such difference or consideration being declared a defaulter, refund the same to the Relevant Authority for the benefit and on account of the creditor members. Any trading member who shall have paid or given such difference or consideration to any other trading member prior to such settlement day shall again pay or give the same to the Relevant Authority for the benefit and on account of the creditor member in the event of the default of such other member.
3. A trading member who receives from another trading member during any clearing a claim note or credit note representing a sum other than a difference due to him or due to his constituent which amount is to be received by him on behalf and for the account of that constituent shall refund such sum if such other trading member be declared a defaulter within such number of days as prescribed by the relevant authority after the settling day. Such refunds shall be made to the Relevant Authority for the benefit and on account of the creditor members and it shall be applied in liquidation of the claims of such creditor members whose claims are admitted in accordance with these Bye Laws, Rules and Regulations.

10.13 DISTRIBUTION

The Relevant Authority shall at the risk and cost of the creditor members pay all assets received in the course of realisation into such bank and/or keep them with the Exchange in such names as the relevant authority may from time to time direct and shall distribute the same as soon as possible pro rata but without interest among creditor members whose claims are admitted in accordance with these Bye Laws, Rules and Regulations.

10.14 CLOSING-OUT

1. Trading members having open transactions with the defaulter shall close out such transactions on the Exchange after declaration of default. Such closing out shall be in such manner as may be prescribed by the relevant authority from time to time. Subject to the regulations in this regard prescribed by the relevant authority, when in the opinion of the relevant authority, circumstances so warrant, such closing out shall be deemed to have taken place in such manner as may be determined by the relevant authority or other authorised persons of the Exchange.
2. Differences arising from the above adjustments of closing out shall be claimed from the defaulter or paid to the Relevant Authority for the benefit of creditor trading members of the defaulter.

10.15 CLAIMS AGAINST DEFAULTER

Within such time of the declaration of default as the relevant authority may direct every trading member carrying on business on the Exchange shall, as it may be required to do,

either compare with the Relevant Authority his accounts with the defaulter duly adjusted and made up as provided in these Bye Laws, Rules and Regulations or furnish a statement of such accounts with the defaulter in such form or forms as the relevant authority may prescribe or render a certificate that he has no such account.

10.16 DELAY IN COMPARISON OR SUBMISSION OF ACCOUNTS

Any trading member failing to compare his accounts or send a statement or certificate relating to a defaulter within the time prescribed shall be called upon to compare his accounts or send such statement or certificate within such further time as may be specified.

10.17 PENALTY FOR FAILURE TO COMPARE OR SUBMIT ACCOUNTS

The relevant authority may fine, suspend or expel any trading member who fails to compare his accounts or submit a statement of its account with the defaulter or a certificate that he has no such account within the prescribed time.

10.18 MISLEADING STATEMENT

The relevant authority may fine, suspend or expel a member if it is satisfied that any comparison statement or certificate relating to a defaulter sent by such trading member was false or misleading.

10.19 ACCOUNTS OF RELEVANT AUTHORITY

The Relevant Authority shall keep a separate account in respect of all monies, commodities and other assets payable to a defaulter which are received by him and shall defray therefrom all costs, charges and expenses incurred in or about the collection of such assets or in or about any proceedings it takes in connection with the default.

10.20 REPORT

The Relevant Authority shall every six months present a report to such authority as may be appointed by the Board for this purpose, relating to the affairs of a defaulter and shall show the assets realised, the liabilities discharged and dividends given.

10.21 SCALE OF CHARGES

The charges to be paid to the Exchange on the assets collected shall be such sum as the relevant authority may from time to time prescribe.

10.22 APPLICATION OF ASSETS

The Relevant Authority shall apply the net assets remaining in its hands after defraying all such costs, charges and expenses as are allowed under Bye laws, Rules and Regulations

to be incurred by the Exchange, in satisfying the claims in the order of priority provided hereunder:

- a) Dues to the Exchange: The payment of such subscriptions, debts, fines, fees, charges and other moneys due to the Exchange.
- b) Dues to other Trading Members / Clearing Members and to Constituents of the defaulter: The payments as may be admitted by the Relevant Authority, as being due to other Trading Members, Clearing Members and Constituents of the defaulter for debts, liabilities, obligations and claims arising out of any contracts made by the defaulter subject to and in accordance with the Rules, Bye-laws and Regulations of the Exchange, provided that if the amount is insufficient then the amounts shall be distributed pro rata amongst other Trading Members, Clearing Members and all the Constituents of the defaulter. The other Trading Members / Clearing Members shall in turn share the amounts so received with their Constituents on pro rata basis.
- c) Dues to the Approved Banks, Warehouses, Assayers and claims of any other persons as approved by the Relevant Authority: After making payments under Clause (b) above, the amounts remaining, if any, shall be utilised to meet the claims of the approved banks and of any other person as may be admitted by the Relevant Authority. The claims of the approved banks should have arisen by virtue of the Exchange invoking any bank guarantee issued by the bank concerned to the Exchange on behalf of the defaulter to fulfill his obligation of submitting bank guarantee, guaranteeing discharge of obligations under the Byelaws, Rules and Regulations of the Exchange. The claims of other persons should have arisen out of or incidental to the transaction done on the Exchange or requirements laid down by the Exchange, provided that if the amount available be insufficient to pay all such claims in full, they shall be paid pro rata, and
- d) Surplus: Surplus, if any, to the defaulter trading member.

10.23 CERTAIN CLAIMS NOT TO BE ENTERTAINED

The Relevant Authority shall not entertain any claim against a defaulter:

- a) which arises out of a contract in contracts or commodities dealings in which are not permitted or which are not made subject to and in accordance with Bye Laws, Rules and Regulations of the Exchange or in which the claimant has either not paid himself or colluded with the defaulter in evasion of margin payable on transactions or contracts in any commodity;
- b) which arises out of a contract in respect of which comparison of accounts has not been made in the manner prescribed in these Bye Laws, Rules and Regulations or when there has been no comparison if a contract note in respect of such contract has not been rendered as provided in these Bye Laws, Rules and Regulations;

- c) which arises from any arrangement for settlement of claims in lieu of bona fide money payment in full on the day when such claims become due;
- d) which is in respect of a loan with or without security;
- e) which is not filed with the Relevant Authority within such time of date of declaration of default as may be prescribed by the relevant authority.

10.24 CLAIMS AGAINST DEFAULTING REPRESENTATIVE TRADING MEMBER

The Relevant Authority shall entertain the claim of a trading member against a defaulter in respect of loss incurred by it by reason of the failure of the constituents introduced by such defaulter to fulfil their obligations arising out of dealings which are permitted on the Exchange and made subject to and in accordance with the Bye Laws, Rules and Regulations of the Exchange provided the defaulter was duly registered as a representative trading member working with such creditor member.

10.25 ASSIGNMENT OF CLAIMS ON DEFAULTERS' ESTATE

A trading member being a creditor of a defaulter shall not sell, assign or pledge its claim on the estate of such defaulter without the consent of the relevant authority.

10.26 PROCEEDINGS IN NAME OF OR AGAINST THE DEFAULTER

The Relevant Authority shall be entitled to but not bound to (a) initiate any proceedings in a court of law either in the name of the Exchange or in the name of the defaulter against any person for the purpose of recovering any amounts due to the defaulter (b) to initiate any proceedings in a court of law either in the name of the Exchange or in the name of creditors (who have become creditors of the defaulter as a result of transactions executed subject to and in accordance with Bye laws, Rules and Regulations of Exchange) of the defaulter against the default for the purpose of recovering any amounts due from the defaulter. The defaulter as well as the creditors of the defaulter shall be deemed to have appointed the Exchange as their constituted attorney for the purpose of taking such proceedings.

10.27 PAYMENT OF RELEVANT AUTHORITY

1. If any trading member takes any proceedings in a court of law against a defaulter whether during the period of its default or subsequent to its re-admission to enforce any claim against the defaulter's estate arising out of any transaction or dealing in the market made subject to and in accordance with the Bye Laws, Rules and Regulations of the Exchange before it was declared a defaulter and obtains a decree and recovers any sum of money thereon it shall pay such amount or any portion thereof as may be fixed by the Relevant Authority to the Relevant Authority for the benefit and on account of the creditor members having claims against such defaulter.

2. The Relevant Authority for the purpose of this Chapter shall be a Committee as may be constituted by the Board of Directors from time to time.

11. INVESTOR GRIEVANCE REDRESSAL & ARBITRATION

11.1 DEFINITIONS

For the purposes of this Bye Law 11, the following definitions shall apply in addition to Bye Law 1A

1. 'Arbitrator' shall mean a sole arbitrator or a panel of arbitrators.
2. 'Act' shall mean the Arbitration and Conciliation Act, 1996 and includes any statutory modification, replacement or re-enactment thereof, for the time being in force.
3. 'Admissible claim value' shall mean the claim value admissible to the Constituent as ascertained by the Investor Grievance Redressal Committee or Panel and recorded in the directions or Order.
4. 'Award' for the purposes of these bye laws shall mean (i) the Decision of sole/panel of arbitrators at the first instance; or (ii) the Decision of the panel of arbitrators in appeal; as the case may be.
5. 'Appellate Arbitral Tribunal' shall mean an Arbitrator or panel of Arbitrators as the case may be identified for the purpose of hearing reference in appeal against a decision of an Arbitrator/Panel of Arbitrator.
6. 'Decision' shall mean the findings of the sole/panel of arbitrators in an arbitration reference by a party who is not satisfied with the Order of IGRP.
7. 'Investor Grievance Redressal Committee' shall mean a Committee consisting of Independent persons, identified for the purpose of addressing Investor Grievances of the participants trading on the Exchange platform.
8. 'Investor Service Cell' means the department of the Exchange which facilitates resolution of complaints of investors against the Member of the Exchange and also renders administrative assistance to arbitration proceedings in respect of arbitration cases that are admitted for Arbitration under the Exchange's Arbitration Framework.
9. 'Order' shall mean the Order of the Investor Grievance Redressal Committee of the Exchange (IGRC).

11.1A REFERENCE TO IGRC

The Exchange shall set up investor service centers (ISC)/Investor Grievances Cell (IGC) in such places as may be necessary or identified by the SEBI from time to time, for the benefit of public/investors. The ISCs/IGCs shall render such services as may be decided by the Exchange/ SEBI from time to time to the investors/ clients. The ISCs/IGCs shall also provide facilities for receiving/ recording investors/ clients complaints, register the complaints and provide counselling service to the investors/ clients. The ISCs/IGCs shall act as facilitation desks to assist investors/ clients engaged in dispute resolution process by obtaining documents/ details from the Exchange wherever so required for making application to IGRC and filing Arbitration.

11.2 REFERENCE TO ARBITRATION

1. All claims, differences or disputes between the Trading Members inter se and between Trading Members and Constituents and Clearing Members inter se and Clearing Members and constituents and between Clearing Members and Trading Members arising out of or in relation to dealings, contracts and transactions executed or reported on the Exchange and made subject to and in accordance with the Bye-Laws, Rules and Regulations of the Exchange or with reference to anything incidental thereto or in pursuance thereof or relating to interpretation, fulfilment or the rights, obligations and liabilities of the parties thereto shall be submitted to arbitration in accordance with the provisions of these Bye laws, Rules and Regulations.

Provided however that the Relevant Authority may satisfy itself that the above referred claims, differences or disputes arise out of or in relation to dealings, contracts and transactions executed/reported on the Exchange and are in accordance with and subject to the Byelaws, Rules and Regulations of the Exchange and are referable to Arbitration.

The Exchange shall facilitate arbitration for such disputes including for references filed by Trading/Clearing Member against the directions or order of the IGRC.

2. The provisions of clause (1) above shall become applicable to all claims, differences, disputes between the parties mentioned therein for all dealings, contracts and transactions made subject to and in accordance with the Bye laws, Rules and Regulations of the Exchange provided such dealings, contracts and transactions had been entered into between the parties mentioned therein prior or to the date on which the Trading Member and/or Clearing Member was either declared a defaulter or expelled or has surrendered his trading membership.

11.3 PROVISIONS OF THESE BYE LAWS, RULES AND REGULATIONS DEEMED TO FORM PART OF ALL DEALINGS, CONTRACTS AND TRANSACTIONS

In all dealings, contracts and transactions, which are made or deemed to be made subject to the Bye laws, Rules and Regulations of the Exchange, the provisions relating to arbitration as

provided in these Bye laws, Rules and Regulations shall form and shall be deemed to form part of the dealings, contracts and transactions and the parties shall be deemed to have entered into an arbitration agreement in writing by which all claims, differences or disputes of the nature referred to in clause (1) above shall be submitted to arbitration as per the provisions of these Bye Laws, Rules and Regulations.

11.4 LIMITATION PERIOD FOR REFERENCE OF CLAIMS, DIFFERENCES OR DISPUTES FOR ARBITRATION

All claims, differences or disputes referred to in clause (1) above shall be submitted to arbitration within three years from the date on which the claim, difference or dispute arose or shall be deemed to have arisen. The time taken in conciliation proceedings, if any, initiated and conducted as per the provisions of the Act and the time taken by the Relevant Authority to administratively resolve the claim, differences or disputes shall be excluded for the purpose of determining the period of three (03) years.

11.5 POWER OF THE RELEVANT AUTHORITY TO PRESCRIBE REGULATIONS

The Relevant Authority may, from time to time prescribe Regulations for the following:

1. The procedure to be followed in IGRC mechanism, in arbitration and appeal proceedings (arbitral proceedings). In particular, and without prejudice to the generality of the foregoing power, such procedure may, inter alia, provide for the following:
 - a) the forms to be used;
 - b) the fees to be paid;
 - c) the mode, manner and time period for submission of all pleadings by both the parties;
 - d) matters relating to requests from the parties for amending or supplementing the pleadings; and
 - e) the consequences upon failure to submit such pleadings by the parties.
2. The procedure to be followed by the arbitrator in conducting the arbitral proceedings. In particular, and without prejudice to the generality of the foregoing power, such procedure may, inter alia, provide for:
 - a) adjournment of hearings; and
 - b) terms and conditions subject to which the arbitrator may appoint experts to report on specific issues and the procedure to be followed in arbitral proceedings upon such an appointment.
3. Different set of arbitration procedures for different claims, differences or disputes after taking into consideration such circumstances and facts as the Relevant Authority may deem fit, which circumstances and facts may include the value of the subject matter and the persons who are involved as parties to such claims, differences or disputes.

4. Creation of seats of arbitration/appellate arbitration for different regions or prescribing geographical locations for conducting arbitration and prescribing the courts which shall have jurisdiction for the purpose of the Act.
5. The claims, differences or disputes which may be referred to a sole arbitrator and the claims, differences or disputes which may be referred to a panel of arbitrators.
6. The procedure for selection of persons eligible to act as arbitrators.
7. The procedure for appointment of arbitrator.
8. The terms, conditions and qualifications subject to which any arbitrator may be appointed.
9. Determination of the number of arbitrators in the case of a panel of arbitrators, subject to the condition that where any claim, difference or dispute is heard and determined by Panel of Arbitrators, the number of arbitrators of such a panel shall not be an even number.
10. The time period within which a substitute arbitrator has to be appointed in case the office of the arbitrator falls vacant for any reason whatsoever.
11. The matters to be disclosed by any person who is approached in connection with his possible appointment as an arbitrator.
12. The procedure to be adopted by the parties for challenging an arbitrator.
13. The claims, differences or disputes which, may be decided by the arbitrator without a hearing unless either party in writing requests the Relevant Authority for a hearing and the time period within which such a request shall be made.
14. The claims, differences or disputes which, may be decided by the arbitrator only by hearing the parties unless both the parties jointly waive the right to such hearing and the time period within which such a waiver shall be made.
15. The place of arbitration for each reference and the places where the arbitrator can meet for consultation, for hearing witnesses, experts, or the parties, or for inspection of documents, goods or other property.
16. The making of the Decision and/or arbitral award including the manner in which a decision is to be taken in the case of panel of arbitrators and the form and contents of the arbitral award.
17. The term arbitral award shall also include an arbitral award on agreed terms. Prescriptions as to the contents of the arbitral award may include provisions for costs and where the arbitral award is for the payment of money, may include interest payable on principal sum due.

18. The amount of deposit or supplementary deposit, as the case may be, as an advance for the costs, which it expects, will be incurred in respect of the claim, difference or dispute. Provided where a counter-claim is submitted to the arbitrator, a separate amount of deposit for the counter-claim may also be prescribed.
19. The administrative assistance, which the Exchange may render in order to facilitate the conduct of arbitral proceedings.
20. All matters regarding the mode and the manner of service of notices and communications by the parties including communication addressed to arbitrator.
21. Any other matter which in the opinion of the Relevant Authority is required to be dealt with in the Regulations to facilitate IGRC, arbitration.
22. The Relevant Authority from time to time may amend, modify, alter, repeal, or add to the provisions of the Regulations.

11.6 DISCLOSURE BY PERSONS TO BE APPOINTED AS IGRC MEMBERS/ ARBITRATORS

Every person who is approached in connection with his possible appointment as an IGRC member/ arbitrator shall disclose to the Relevant Authority in writing any circumstances likely to give rise to justifiable doubts as to his independence and impartiality. If the person discloses any circumstances, which in the opinion of the Relevant Authority are likely to give, rise to justifiable doubts as to his independence and impartiality, then he shall not be appointed as an IGRC member/ arbitrator.

11.7 DISCLOSURE BY PERSONS APPOINTED AS IGRC MEMBERS/ ARBITRATORS

An IGRC member/arbitrator, from the time of his appointment and throughout the arbitral proceedings, shall, without delay, disclose to the Relevant Authority in writing any circumstances referred to in clause (11.6) above which have come to his knowledge after his appointment as an arbitrator.

11.8 TERMINATION OF MANDATE OF THE IGRC MEMBER/ ARBITRATOR

The mandate of the IGRC member/ arbitrator shall terminate if:

- a. The arbitrator withdraws from office for any reason; or
- b. In the opinion of the relevant authority, the IGRC member/ arbitrator becomes de jure or de facto unable to perform his functions or for other reasons fails to act without undue delay including failure to make the arbitral award within the time period prescribed by the relevant authority. Such a decision of the relevant authority shall be final and binding on the parties; or

- c. The mandate of the IGRC member/ arbitrator is terminated by the Relevant Authority upon receipt of written request for the termination of the mandate of the IGRC member/ arbitrator from both the parties to IGRC proceeding/ arbitration; or
- d. The IGRC member/ arbitrator discloses any circumstances referred to in clauses (11.6) and (11.7) which in the opinion of the Relevant Authority are likely to give rise to justifiable doubts as to his independence and impartiality
- e. The IGRC/ arbitral proceedings are terminated as provided for herein.

11.9 SUPPLYING OF VACANCY TO THE OFFICE OF THE IGRC MEMBER/ ARBITRATOR

At any time before the making of the Order/ award should the office of the IGRC Member/arbitrator fall vacant for any reason whatsoever including any vacancy due to the illness or death of the IGRC Member/arbitrator or termination of the mandate of the IGRC Member/ arbitrator by the Relevant Authority or otherwise, the vacancy shall be supplied by the Relevant Authority by following the same procedure as specified by it for appointment of the IGRC Member/arbitrator.

11.10 CONSIDERATION OF RECORDED PROCEEDINGS AND EVIDENCE

Unless otherwise agreed by parties, any IGRC Member/arbitrator who has been appointed by the Relevant Authority to supply a vacancy to the office of the IGRC Member/arbitrator may repeat any hearings previously held.

11.11 ORDER OR RULING OF PREVIOUS ARBITRATOR NOT INVALID

An order or ruling of the IGRC Member/arbitrator made prior to the termination of his mandate shall not be invalid solely because his mandate has been terminated. Provided that when the termination has been effected pursuant to clause (11.8)(d), the order or ruling of the IGRC Member/arbitrator made prior to termination of his mandate shall become invalid unless otherwise agreed upon by the parties.

11.12 INTERIM ARBITRAL AWARD AND INTERIM MEASURES ORDERED BY THE ARBITRATOR

The arbitrator may be empowered to make an interim arbitral award as well as to provide interim measures of protection. An arbitrator may require a party to provide appropriate commodity in connection with an interim measure.

11.13 APPEARANCE IN ARBITRAL PROCEEDINGS BY COUNSEL, ATTORNEY OR ADVOCATE

In arbitral proceedings where both the parties are either Trading Members or both Clearing members or one party is a Trading member and the other a Clearing member, the parties shall not be permitted to appear by counsel, attorney or advocate but where one of the parties is a Constituent, then the Constituent shall be permitted to appear by counsel, attorney or advocate. If the Constituent chooses to appear by counsel, attorney or advocate, then the trading and/or clearing member shall be granted a similar privilege.

11.14 ADJOURNEMENT

Adjournment, if any, shall be granted by the arbitrator only in exceptional cases, for bonafide reasons to be recorded in writing.

11.15 TIME FOR COMPLETION OF IGRC/ARBITRATION

The IGRC shall make the order within such period as may be prescribed by Relevant Authority from time to time.

The arbitrator shall make the arbitral award normally within 3 months from the date of entering upon the reference.

11.16 REQUEST FOR EXTENSION

The time taken to make the award may not be extended beyond 3 times, not exceeding 6 months, by the Managing Director or Relevant Authority on an application by either of the parties or the arbitrator, as the case may be.

11.17 DATE OF ENTERING REFERENCE

For the purposes of these byelaws, the arbitrator shall be deemed to have entered upon a reference on the date on which the arbitrator has held the first hearing.

11.18 ARBITRATION PROCEEDINGS SUBJECT TO THE PROVISIONS OF THE ACT

The arbitration proceedings as provided for by the provisions of these Bye Laws, Rules and Regulations shall be subject to the provisions of the Act to the extent not provided for in these Bye Laws, Rules and Regulations.

11.19 CONSTRUCTION OF REFERENCES

For the purposes of section 2(6) of the Act, in all claims, differences or disputes which are required to be submitted to arbitration as per the provisions of these Bye Laws, Rules and the Regulations, wherever Part 1 of the Act leaves the parties free to determine a certain issue, the parties shall be deemed to have authorised the Relevant Authority to determine that issue.

11.20 ADMINISTRATIVE ASSISTANCE

For the purpose of section 6 of the Act, in all claims, differences or disputes which are required to be submitted to arbitration as per the provisions of these Bye Laws, Rules and Regulations, the parties shall be deemed to have arranged for administrative assistance of the Relevant Authority in order to facilitate the conduct of the arbitral proceedings.

11.21 JURISDICTION

All parties to a reference to arbitration under these Bye Laws, Rules and Regulations and the persons, if any, claiming under them, shall be deemed to have submitted to the exclusive jurisdiction of the courts in Mumbai or any other court as may be prescribed by the Relevant Authority/Regulatory Authority for the purpose of giving effect to the provisions of the Act. The Exchange shall not be construed to be a party to the dealings, contracts and transactions referred to under these Byelaws; and the provisions of this Bye law shall not apply in case of claims, differences or disputes between the Exchange and a Trading/Clearing Member/Constituents and no arbitration shall lie between the Exchange and a Trading Member/Clearing Member/ Constituents.

11.22 APPEAL

Any party aggrieved by a Decision of an Arbitrator/Panel of Arbitrators may prefer an appeal to the Appellate Arbitral Tribunal against a Decision of an Arbitrator/Panel of Arbitrators within such time and in such manner as prescribed by the Relevant Authority from time to time.

The Appellate Arbitral Tribunal shall dispose of the appeal by way of issuance of an Award within such period as may be prescribed by Relevant Authority from time to time

The Decision of an Arbitrator/panel of arbitrator shall be the final Award where no appeal has been preferred by any of the parties and the time for preferring an appeal has lapsed.

Where an appeal has been preferred against a Decision, the Award passed by the Appellate Arbitral Tribunal shall be the final Award for the purposes of the Act and the Rules, Bye laws and Regulations of the Exchange.

12. MISCELLANEOUS

1. The relevant authority shall be empowered to impose such restrictions on transactions in one or more contracts or commodities as the relevant authority in its judgment deems advisable in the interest of maintaining a fair and orderly market in the contracts or commodities or if it otherwise deems advisable in the interest of trade and public interest. During the effectiveness of such restrictions, no trading member shall, for any account in which it has an interest or for the account of any client, engage in any transaction in contravention of such restrictions.

2. Save as otherwise specifically provided in the Bye Laws, Rules and Regulations specified by the relevant authority regarding trading, clearing and settlement arrangement, in promoting, facilitating, assisting, regulating, managing and operating the Exchange and/or Clearing House, the exchange or the clearing house should not be deemed to have incurred any liability, and accordingly no claim or recourse in respect of or in relation to any dealing in contracts or commodities or any matter connected therewith shall lie against the Exchange or Clearing House or any authorised person(s) acting for the exchange or the Clearing House.
3. Any failure to observe or comply with any requirement of this Bye Law, or any Bye Laws, Rules or Regulations, where applicable, may be dealt with by the relevant authority as a violation of such Bye Laws, Rules or Regulations.
4. Trading members have an obligation as the trading members of the Exchange to inform the relevant authority of the Exchange about fraudulent and unfair trade practices and other such information/practices as may be construed as being detrimental to the efficient operations of the Exchange and as may be required under Securities Laws and Regulations.
5. No claim, suit, prosecution or other legal proceedings shall lie against the Exchange and/or Clearing House any authorised person(s) acting for the Exchange and/or Clearing House, in respect of anything which is in good faith done or intended to be done in pursuance of any order or other binding directive issued to the Exchange and/or Clearing House under any law or delegated legislation for the time being in force.

13. SAVINGS AND CONTINUATION

A. In pursuance of section 28A of the Forward Contracts (Regulation) Act, 1952 (FCRA) the Bye laws of the Exchange made under the FCRA (referred to as 'the existing Exchange Bye laws'), shall not be applicable after a period of one year from September 29, 2015 due to repeal of FCRA with effect from September 29, 2015. Notwithstanding such repeal, -

- (i) All actions or activities pursuant to trades executed under the provisions of the existing Exchange Bye laws, including but not limited to clearing, settlement, auctions, dispute resolution or arbitration and default redressal shall be undertaken and enforced under the corresponding provisions of these Bye laws.
- (ii) All rights and liabilities accruing under the existing Exchange Bye laws including but not limited to risk management measures such as maintenance of Investor Protection Fund and Settlement Fund shall continue to accrue under the corresponding provisions of these Bye laws.
- (iii) All eligible members of the Exchange or their agents granted admission to dealings or granted permission to access the trading platform of the Exchange in terms of the existing Exchange Bye laws, shall continue to exercise such rights in the Exchange in terms of the corresponding provisions of these Bye laws, subject to provisions of SCRA and the Rules and Regulations made thereunder and the SEBI Act and the Rules and Regulations made thereunder and any directives or Circulars etc. issued by SEBI from time to time.
- (iv) Anything done or any action taken or purported to have been done or taken including any inspection, order, penalty, proceeding or notice, made, initiated or issued or any confirmation or declaration made or any license, permission, authorization or exemption granted, modified or revoked or any document or instrument executed, or any direction given under the existing Exchange Bye laws, shall be continued or enforced by the Exchange, in terms of the corresponding provisions of these Bye laws.
- (v) All violations of provisions of the existing Exchange Bye laws and any proceedings initiated or pending as on September 28, 2016, shall continue to be governed by the corresponding provisions of these Bye laws.

B. The Exchange, as directed by SEBI shall be empowered to issue clarifications with regard to any of the provisions of these Bye laws.

BYE LAWS

PART B

1. CLEARING SEGMENTS

1. There may be more than one clearing segment as may be specified by the relevant authority from time to time.
2. The relevant authority will specify the Contracts or Commodities, which will be eligible for admission to the different clearing segment from time to time.

2. CLEARING MEMBERS

1. The relevant authority is empowered to admit clearing members in accordance with the Bye Laws, Rules and Regulations subject to the minimum financial requirements prescribed by the Exchange. Such Clearing Members shall pay such fees, security deposits and other monies as may be specified by the Board or the relevant authority from time to time, on admission as Clearing Member and for continued admission. The fees, security deposits, other monies and any additional deposits paid, whether in the form of cash, bank guarantee, securities or otherwise, with the Exchange, by a Clearing Member from time to time, shall be subject to a first and paramount lien for any sum due to the Exchange and all other claims against the Clearing Member for due fulfilment of engagements, obligations and liabilities of Clearing Members arising out of or incidental to any dealings made subject to and in accordance with the Bye laws, Rules and Regulations of the Exchange. The Exchange shall be entitled to adjust or appropriate such fees, deposits and other monies for such dues and claims, to the exclusion of the other claims against the Clearing member, without any reference to the Clearing member.
2. Clearing Member of the Exchange may clear and settle deals through the Clearing House in such manner and mode and subject to such terms and conditions and procedures as may be specified for the clearing member.
3. Trading Members may clear and settle deals either on their own account or on behalf of their clients and shall be referred to as Clearing Members while performing functions of clearing and settlement. Professional Clearing Members may clear and settle deals on behalf of their clients and trading members subject to such terms and conditions, which the relevant authority may prescribe from time to time.

3. CLEARING AND SETTLEMENT OF DEALS

3.1 DEALS FOR CLEARING AND SETTLEMENT

The Exchange shall clear and settle such deals as provided in the Bye Laws and Regulations and save as so provided, no other deals shall be cleared and settled.

Without prejudice to the generality of the above, the relevant authority may in its discretion and subject to such conditions as it may deem fit admit any other deals.

The clearing and settlement of deals shall be effected by the Clearing Member or any other persons acting through them by adopting and using such arrangements, systems, agencies or procedures as may be prescribed or specified by the relevant authority from time to time. Without prejudice to the generality of the foregoing, the relevant authority may prescribe or specify, for adoption and use by the clearing members, trading members, participants, and other specified constituents, such custodial or other similar services from time to time to facilitate smooth operation of the clearing and settlement arrangement or system.

The function of the Clearing House may be performed by the Exchange, Clearing House or any agency identified by the relevant authority for this purpose; The Exchange may consider incorporating an independent entity to handle the clearing and settlement activities of the Exchange. As such all rights and obligations of the Clearing House may be transferred to that entity and the clearing members may be considered to be registered with it and will have to adhere to its bye-laws, rules and regulations as prescribed from time to time.

The role of the Clearing House shall be to act as a facilitator for processing of deliveries and payments between clearing members, trading members/participants for trades effected by them on the Exchange.

Settlement in each market segment of the Exchange shall be either on netted basis, gross basis, trade for trade basis or any other basis as may be specified by the relevant authority from time to time. Settlement shall be effected by clearing members giving and receiving delivery and /or paying and receiving funds as may be specified by the relevant authority from time to time in the Bye Laws and Regulations.

Save as otherwise expressly provided in the Rules, Bye Laws and Regulations, when funds and commodities or documents of title to commodities are, under a prescribed arrangement, routed through the Clearing House, the settlement responsibility shall rest wholly and solely upon the counter parties to the trade and /or the concerned clearing members as the case may be; and the Clearing House shall act as the common agent of the clearing members/ trading members / Constituents for receiving or giving delivery of commodities and for receiving and paying funds, without incurring any liability or obligation as a principal.

3.2 ADMISSION OF DEALS

1. Clearing and settlement shall be permitted on the Clearing House of the Exchange in deals, which are from time to time admitted on the Exchange by the relevant authority in accordance with the provisions of the Bye Laws and Regulations.

2. The relevant authority may specify contracts or commodities from time to time dealings on which may be admitted in accordance with the provisions of the Bye Laws and Regulations in that regard.

3.3 CONDITIONS AND REQUIREMENTS OF CLEARING AND SETTLEMENT

The relevant authority may grant admission of deals dealt in the Exchange provided all the conditions and requirements specified in the Bye Laws and Regulations and such other conditions and requirements as the relevant authority may prescribe from time to time are complied with.

3.4 REFUSAL OF ADMISSION OF DEALS

The relevant authority may, in its discretion, approve admission of deals or defer, or reject admission of deals for clearing and settlement on the Clearing House of the Exchange, subject to such terms as it deems fit.

3.5 SUSPENSION OF ADMISSION OF DEALS

The relevant authority may suspend at any time the admission of deals including of any contract or commodity or specified exchange or Exchange for such period as it may determine and reinstate such deals subject to such conditions as it may deem fit.

3.6 WITHDRAWAL OF ADMISSION OF DEALS

The relevant authority may where it deems necessary withdraw the admission to dealings of a specified exchange either for breach of or non-compliance with any of the conditions or requirements of admission of dealings or for any other reason whatsoever.

3.7 READMISSION OF DEALS

The relevant authority in its discretion may readmit deals of a specified exchange, which has been previously withdrawn.

3.8 PRIVACY OF CONTRACT

Except as provided herein, clearing members giving and receiving delivery as provided in the Bye Laws and Regulations shall be deemed, notwithstanding that no direct contract may exist between them, to have made a contract with each other as sellers and buyers. However the rights and liabilities of delivering and receiving member in relation to their immediate contracting party shall not be deemed to be affected thereby except that the selling member (unless he be himself the delivering member) shall be released from all responsibility in regard to the title,

ownership, genuineness, regularity and validity of the documents / commodity received by the receiving member and in regard to the loss and damages arising therefrom, which shall be dealt with in accordance with the provisions of Bye Laws and Regulations thereof.

In cases where the Clearing House may specify either generally or specifically, clearing members giving and receiving delivery and paying and receiving funds as provided in the Bye Laws and Regulations shall be deemed, notwithstanding that no direct contract exists between them, to have made a contract with the Clearing House as sellers and buyers and between themselves as delivering and receiving members; provided further however that in such event the rights and liabilities of delivering and receiving members with the Clearing House shall not be deemed to be affected thereby except that the Clearing House shall not be responsible in respect of the title, ownership, genuineness, regularity and validity of the documents delivered or received and in regard to the loss and damages arising therefrom, which shall be dealt with in accordance with the provisions of Bye Laws and Regulations thereof.

Notwithstanding anything contained above, the Clearing House may specify either generally or specifically that the Clearing House shall be counterparty to the deal specified by it and arising out of trades executed / reported on the trading system of the Exchange, admitted for clearing and settlement except the fact that in respect of failure on the part of the seller in tendering delivery, the Clearing House shall be responsible only to settle the difference amount and not to give physical delivery to the buyer. The Clearing House shall undertake to guarantee the financial settlement of all deals arising out of trades in commodities duly executed / reported on the trading system of the Exchange irrespective of default, insolvency or failure on the part of the corresponding member. Provided that the settlement guarantee by the Clearing House extends only:

- i. to its own members, and
- ii. to those transactions that have been executed, registered and accepted for clearing and settlement by the Clearing House after having been matched by the Exchange, and
- iii. to those members who are not in default in their financial obligations to the Clearing House or the Exchange

Provided however, the Clearing House shall not be deemed to guarantee the title, ownership, genuineness, regularity or validity of any goods or any document passing through the Clearing House, the object of maintaining the Clearing House being to facilitate the delivery and payment in respect of the goods or documents between members.

Provided however that the nature of guarantee by the Clearing House is strictly financial, that is:

- i. The seller will be assured the payment of the settlement price fixed by the relevant authority on the delivery / expiry date after the Clearing House is satisfied that the delivery has been completed; and
- ii. The buyer will be assured either a delivery order, or upon failure of the seller to give delivery, the monetary value of the short delivery based on the settlement price fixed by

the relevant authority as on the delivery / expiry date and the monetary value based on the ready market price on the expected delivery day as may be specified by the Relevant Authority.

3.9 OPERATIONAL PARAMETER FOR CLEARING

The relevant authority may determine and announce from time to time operational parameters regarding clearing of deals through the Clearing House of the Exchange, which the clearing members shall adhere to.

The operational parameters may, inter alia, include:

- a) Clearing/exposure limits allowed which may include clearing/exposure limits with reference to net worth and capital adequacy norms;
- b) Clearing volumes and limits at which it will be incumbent for clearing members to intimate the exchange,
- c) Fixation of delivery lots for different settlement types;
- d) Other matters which may affect smooth operation of clearing of deals keeping in view larger interest of the public;
- e) Determining types of deals permitted for a clearing member and for a contract or commodity;
- f) Determining functional details of the clearing and settlement system including the system design, user infrastructure and system operation;

3.10 CLEARING HOURS

1. The hours for clearing and settling at the Clearing House shall be during such time as may be decided by the relevant authority from time to time. The relevant authority may, from time to time, specify clearing hours for different types of deals.
2. The relevant authority may declare a list of holidays in a calendar year. The relevant authority may from time to time alter or cancel any of the holidays fixed in accordance with these provisions. It may, for reasons to be recorded, suspend clearing and settlement operations in the Clearing House of the Exchange on days other than or in addition to holidays.

3.11 DELIVERY OF COMMODITIES

1. Delivery of all commodities, documents and papers and payments in respect of all deals shall be in such manner and the relevant authority may prescribe such place (s) as from time to time.
2. The relevant authority shall specify from time to time, the commodities, documents and papers which, when delivered in prescribed manner, shall constitute good delivery. Where

circumstances so warrant, the relevant authority may determine, for reasons to be recorded, whether or not a delivery constitutes a good delivery, and such finding shall be binding on the parties concerned. Where the relevant authority determines that a delivery does not constitute a good delivery, the delivering party shall be required to substitute good delivery instead or make such payment as has been prescribed by the relevant authority within such time period as may be specified failing which appropriate action may be initiated by the relevant authority as provided in the Bye Laws, Rules and regulations from time to time.

3. The relevant authority may prescribe from time to time such norms and procedures which may include delivery with respect to market lot, odd lot, minimum lot, part delivery, delivery period, expiry date, designated tender days, delivery orders, delivery grades, delivery centers, freight adjustment factors, sampling analysis & certification method etc. shall be as prescribed by the relevant authority from time to time.
4. The relevant authority may prescribe from time to time the requirements and procedures for determining disputed deliveries or defective deliveries, and measures, procedures and system of resolving the dispute or defect in deliveries or of consequences of such deliveries or the resolution shall, subject to and in accordance with the Bye Laws, Rules and Regulations.

3.12 CLOSING OUT

1. A deal admitted for clearing and settlement may be transferred to another clearing member with his consent on the failure of a clearing member to comply with any of the provisions relating to delivery, payment and settlement of deals or on any failure to fulfil the terms and conditions subject to which the deal has been made, or such other circumstances as the relevant authority may specify from time to time. The deal may be transferred to another clearing member by the Clearing House in such manner, within such time frame, and subject to such conditions and procedures as the relevant authority may prescribe from time to time.
2. A deal admitted for clearing and settlement may be closed out on failure of a clearing member to comply with any of the provisions relating to delivery, payment and settlement of deals or on any failure to fulfil the terms and conditions subject to which the deal has been made, or such other circumstances as the relevant authority may specify from time to time. The deal may be closed out by the Clearing House of the Exchange in such manner, within such time frame, and subject to such conditions and procedures as the relevant authority may prescribe from time to time.
3. Without prejudice to the generality of the foregoing, the relevant authority may close out deals, inter alia, by buying in or selling out against a clearing member in the following circumstances,
 - a) in case of the selling clearing members, on failure to complete delivery on the due date; and

- b) in case of the buying clearing members, on failure to pay the amount due on the due date,
- c) and any loss, damage or shortfall sustained or suffered as result of such closing out shall be payable by the clearing members who failed to give due delivery or to pay amount due.

3.13 FAILURE TO MEET OBLIGATIONS

In the event a clearing member fails to meet obligations to the Clearing House of the Exchange arising out of clearing and settlement operations of admitted deals the relevant authority may charge such interest, impose such penalties and fines and take such disciplinary action against the clearing member as it may determine from time to time. Any disciplinary action, which the relevant authority takes pursuant to the above, shall not affect the obligations of the clearing member to the Clearing House of the Exchange or any remedy to which the Clearing House of the Exchange may be entitled under applicable law.

4. DEALINGS BY CLEARING MEMBERS

4.1 JURISDICTION

1. All deals admitted by the Clearing House for clearing and settlement shall be deemed to have been entered into in the city of Mumbai unless provided otherwise expressly by the relevant authority.
2. The relevant authority may, from time to time, specify deals as subject to a particular jurisdiction, having regard to the type or nature of the deal, the exchange on which the deal was struck and other relevant factors.

4.2 RECORD FOR EVIDENCE

The record of the Exchange as maintained by a central processing unit or a cluster of processing units or computer processing units, whether maintained in any other manner shall constitute the agreed and authentic record in relation to any deals cleared and settled through the Clearing House of the exchange. For the purposes of any disputes regarding clearing and settlement of deals, the records as maintained by the Exchange shall constitute valid evidence in any dispute or claim between the constituents and the clearing member or between the clearing members inter-se or between the clearing members and the exchange.

4.3 CLEARING MEMBER ONLY PARTIES TO DEALS

The Clearing House of the exchange does not recognise as parties to deals any persons other than its own clearing members, and every clearing member is directly and wholly liable in accordance with whom such clearing member has any deal for due fulfilment of the deal or to

the exchange as may be specified by the relevant authority, whether such deal be for account of the clearing member effecting it or for account of a constituent.

4.4 ALL DEALS SUBJECT TO BYE LAWS, RULES AND REGULATIONS

All deals shall be made subject to and in accordance with the Rules, Bye Laws, Rules and Regulations and this shall be a part of the terms and conditions of all such deals and the deals shall be subject to the exercise by the relevant authority of the powers with respect thereto vested in it by the Bye Laws, Rules and Regulations.

4.5 INVIOABILITY OF ADMITTED DEALS

1. All the dealings in contracts or commodities on the Clearing House of the exchange made subject to and in accordance with the Bye laws, Rules and Regulations shall be in-violable and shall be cleared and settled in accordance with the Bye laws, Rules and Regulations. However, the Clearing House of the exchange may by a notice annul the deal(s) on an application by a Clearing Member in that behalf; if the relevant authority is satisfied after hearing the other party/parties to the deal(s) that the deal(s) is /are fit for annulment on account of fraud or wilful misrepresentation or material mistake in the deal.
2. Notwithstanding anything contained in clause (1) above, the Clearing House of the Exchange may, to protect the interest of constituents in contracts or commodities and for proper regulation of the commodities market, suo moto annul deal(s) at any time if the relevant authority is satisfied for reasons to be recorded in writing that such deal(s) is/ are vitiated by fraud, material mistake, misrepresentation or market or price manipulation and the like.
3. Any annulment made pursuant to clause (1) and (2) above, shall be final and binding upon the parties to deal(s). In such an event, the Clearing Member shall be entitled to cancel the relevant deal(s) with its constituents

4.6 DEALS BY REPRESENTATIVE CLEARING MEMBERS

A clearing member may authorise another clearing member to act as his representative for a specified period with the prior permission of the relevant authority.

4.7 INDEMNITY

The Clearing House of the exchange shall not be liable for any activity of the clearing member or any person acting in the name of the clearing person whether authorised or unauthorised including deals cleared and settled through the Clearing House of the exchange save and except as and to the extent provided in the Bye Laws, Rules and Regulations

5. MARGINS AND LIMIT

5.1 MARGIN REQUIREMENTS

1. The relevant authority may from time to time prescribe requirements of margins for deals cleared and settled through the Clearing House of the Exchange and the clearing member shall furnish such margin as a condition precedent.
2. Every Clearing Member has a continuing obligation to maintain margins at such levels and during such periods as may be stipulated by the Clearing House of the exchange from time to time.

5.2 FORM OF MARGIN

The margins to be provided by a clearing member under the Bye Laws, Rules and Regulations in the exchange shall be in such form as may be prescribed by the relevant authority from time to time. The relevant authority may at its discretion accept deposit receipts, guarantee of a bank(s) approved by the relevant authority or securities approved by subject to such terms and conditions as the relevant authority may impose from time to time. Any such substitute like deposit receipt, securities approved by it or any other mode duly approved shall be deemed to have been pledged and/or hypothecated as the case may be in favour of the Clearing House of the exchange in respect of Exchange.

5.3 QUANTUM OF MARGIN

The Clearing Member depositing margins, in the form of securities by way of pledge or otherwise or in such other mode as may be specified by the relevant authority from time to time, shall always maintain the value there of at not less than the quantum of margin required for the time being covered by them by providing further security to the satisfaction of the relevant authority which shall determine the said value and whose valuation shall conclusively fix the amount of any deficiency to be made up from time to time

5.4 MARGIN TO BE HELD BY THE CLEARING HOUSE

The margins shall be held by the Clearing House of the Exchange and when they are in the form of bank deposit receipts and securities, such receipts and securities may be transferred to such persons or to the name of a custodian or such other entity approved by the exchange. All margin deposits shall be held by the exchange and/or by the approved persons and/or by the approved custodian in such form and on such account as the exchange may deem fit without any right whatsoever on the part of the depositing clearing member or those in its right to call in question the exercise of such discretion.

5.5 LETTER OF DECLARATION

A clearing member depositing margin under the provisions of these Bye Laws and Regulations shall when required to do so sign a Letter of Declaration in respect of such matters and in such form or forms as the relevant authority may from time to time prescribe.

5.6 LIEN ON MARGINS

The monies paid by way of margin or bank deposit receipts or other securities or assets pledged or hypothecated by a clearing member in lieu of margin under the provisions of the Bye Laws, Rules and Regulations shall be subject to a first and paramount lien for all sums due to the Clearing House. Margin shall be available in preference to all other claims against the clearing member for the due fulfilment of his obligations and liabilities arising out of or incidental to any deals made subject to and in accordance with the Bye Laws, Rules and Regulations or anything done in pursuance thereof.

5.7 UTILISATION FOR FAILURE TO MEET OBLIGATIONS

In the event a clearing member fails to meet obligations to the Clearing House arising out of clearing and settlement operations of such deals on Clearing House as provided in the Bye Laws, Rules and Regulations, the relevant authority shall be entitled to utilise any amount paid by the said clearing member in the form of margin or any other payment retained by the Clearing House for the purpose of clearing and settlement on the Exchange.

5.8 EVASION OF MARGIN REQUIRMENTS FORBIDDEN

A clearing member shall not directly or indirectly enter into any arrangement or adopt any procedure for the purpose of evading or assisting in the evasion of the margin requirements specified under the Bye Laws, Rules and Regulations.

5.9 SUSPENSION ON FAILURE TO PAY MARGIN

If a clearing member fails to pay margin as required in the Bye Laws, Rules and Regulations, the relevant authority may take such action, as it may deem fit and specified from time to time including suspension. The suspension shall continue until the margin required is duly deposited.

5.10 LIMITS

The Exchange may at any time in its absolute discretion, prescribe limits on exposure / turnover / open positions / open-interest for a trading member / clearing member or in a commodity, either in quantity or value or as a percentage of capital adequacy / networth / base capital or a combination of any of the above or such other method as the relevant authority may decide from time to time for all or any of the trading / clearing members / commodities.

The Exchange may at any time impose, increase, reduce or remove any limits pursuant to the above clause.

If a trading / clearing member exceeds any limit imposed by the Exchange, the relevant authority may take such action as it may deem fit and specified from time to time including close out of open positions on the member or withdrawal of trading and/or clearing facility.

5.11 CLEARING FEES

The relevant authority may prescribe from time to time fees, charges and recoveries to be levied on the clearing members in respect of clearing and settlement of deals.

6. RIGHTS AND LIABILITIES OF CLEARING MEMBERS AND CONSTITUENTS

6.1 MARGIN FROM CONSTITUENTS

A clearing member shall demand from his constituent the margin he has to provide under the Rules, Bye Laws, Rules and Regulations in respect of the business done by him for such constituent. Margins applicable on client positions have to be compulsorily collected from the clients and reported to the Exchange by the members. A clearing member shall also demand and collect such prescribed margin in cash, securities, fixed deposit receipts, liquid assets or such other forms from his constituent before undertaking to clear their obligations and to stipulate that the constituent shall pay a margin or furnish additional margin as may be specified by the Clearing House of the exchange from time to time. The constituent shall when from time to time called upon to do so forthwith pay margins and furnish additional margins as required under the Rules, Bye Laws and Regulations in respect of his obligations and as agreed upon by him with the clearing member concerned.

6.2 CONSTITUENT IN DEFAULT

1. A clearing member shall not transact business directly or indirectly for a trading member or a constituent who to his knowledge is in default to another clearing member unless such trading member or constituent shall have made a satisfactory arrangement with the clearing member who is his creditor.
2. On the application of a creditor clearing member who refers or has referred to arbitration his claim against the defaulting constituent as provided in the Rules, Bye Laws, Rules and Regulations, the relevant authority shall issue orders against any clearing members restraining them from paying or delivering to the defaulting constituent any monies or securities up to an amount or value not exceeding the creditor member's claim payable or deliverable by him to the defaulting constituent in respect of deals to the Bye Laws, Rules and Regulations, which moneys, commodities and securities shall be deposited with the exchange. The moneys and securities deposited shall be disposed of in terms of the award in arbitration and pending a decree shall be deposited with the concerned Court when filing the award unless the creditor clearing member and the defaulting constituent mutually agree otherwise.

6.3 CLOSING-OUT OF CONSTITUENT'S ACCOUNT

Unless otherwise specified by the relevant authority from time to time, when closing-out the account of a trading member or a constituent a clearing member may assume or take over such deals to his own account as a principal at prices which are fair and justified by the condition of the market or he may close-out in the open market and any expense incurred or any loss arising therefrom shall be borne by the constituent.

6.4 CLOSING-OUT BY CONSTITUENT ON FAILURE TO PERFORM A DEAL

If a clearing member fails to complete the performance of a deal by delivery or payment in accordance with provisions of the Rules, Bye Laws, Rules and Regulations, the constituent shall, after giving notice in writing to the clearing member, close out such deal through any other clearing member as soon as possible and any loss or damages sustained as a result of such closing out shall be immediately payable by the defaulting clearing member to the constituent. If the closing out be not effected as provided herein, the damages between the parties shall be determined on such basis as may be specified by the relevant authority from time to time and the constituent and the clearing member shall forfeit all further rights of recourse against each other.

6.5 NO LIEN ON CONSTITUENT'S COMMODITIES

If a clearing member is declared a defaulter after delivering commodities on account of his constituent, the constituent shall be entitled to claim and on offering proof considered satisfactory by the relevant authority, and in the absolute discretion of the relevant authority, receive from the Exchange accordingly as the relevant authority directs either such goods / commodities or the value thereof subject to payment or deduction of the amount if any due by him to the defaulter.

6.6 COMPLAINT BY CONSTITUENT

When a complaint has been lodged by a constituent with the relevant authority that any clearing member has failed to perform his dealings, the relevant authority shall investigate the complaint and if it is satisfied that the complaint is justified it may take such disciplinary action as it deems fit in accordance with the provisions of the Rules of the Exchange.

6.7 RELATIONSHIP BETWEEN CLEARING MEMBER AND CONSTITUENT

Without prejudice to any other law for the time being in force and subject to the Bye Laws, Rules and Regulations, the mutual rights and obligations inter se between the clearing members and their constituents shall be such as may be specified by the relevant authority from time to time.

7. DEFAULT - CLEARING MEMBER

7.1 DECLARATION OF DEFAULT

- a) A clearing member may be declared a defaulter by direction/circular/notification of the relevant authority if:
- b) He is trading member of any exchange and the said exchange declares him as a defaulter; or
- c) He is a clearing member of any clearing house / clearing corporation and the said clearing corporation declares him to be a defaulter; or
- d) He is unable to fulfil his clearing, settlement or obligations; or
- e) He admits or discloses his inability to fulfil or discharge his duties, obligations and liabilities; or
- f) He fails or is unable to pay within the specified time the damages and the money difference due on a closing-out effected against him under the Rules, Bye Laws, Rules and Regulations; or
- g) He fails to pay any sum due to the Clearing House as the relevant authority may from time to time prescribe; or
- h) If he fails to pay or deliver all moneys, commodities, securities and other assets due to a clearing member who has been declared a defaulter within such time of declaration of default of such clearing member in such manner and to such person as the relevant authority may direct; or
- i) If he fails to abide by the arbitration award as laid down under the Rules, Bye Laws, Rules and Regulations; or
- j) If he has been adjudicated as an insolvent or being a Company incorporated under the Companies Act, has been ordered to be wound-up by a court of law in the petition filed by any of his creditors, he shall ipso facto be declared a defaulter though he may not have at the same time defaulted on any of his obligations on the Clearing House; or
- k) If he files a petition before a court of law for adjudication of himself as an insolvent or for winding-up, as the case may be, although he may not have at the same time defaulted on any of his obligations on the Clearing House; or
- l) Under any other circumstances as may be decided by the relevant authority from time to time;

7.2 CLEARING MEMBER'S DUTY TO INFORM

A clearing member shall be bound to notify the Clearing House of the Exchange immediately if there be a failure by any clearing member to discharge his liabilities in full.

7.3 COMPROMISE FORBIDDEN

A clearing member shall not accept from any clearing member anything less than a full and bona fide money payment in settlement of a debt arising out of a deal cleared through the Clearing House of the Exchange.

7.4 NOTICE OF DECLARATION OF DEFAULT

On a clearing member being declared a defaulter a notice shall be forthwith issued to all the clearing members of the Clearing House.

7.5 DEFAULTER'S BOOK AND DOCUMENTS

When a clearing member has been declared a defaulter, the relevant authority shall take charge of all his books of accounts, documents, papers and vouchers to ascertain the state of his affairs and the defaulter shall hand over such books, documents, papers and vouchers to the relevant authority.

7.6 LIST OF DEBTORS AND CREDITORS

The defaulter shall file with the relevant authority within such time of the declaration of his default as the relevant authority may direct, a written statement containing the complete list of his debtors and creditors and the sum owing by and to each.

7.7 DEFAULTER TO GIVE INFORMATION

The defaulter shall submit to the relevant authority such statement of accounts, information and particulars of his affairs as the relevant authority may from time to time require and if so desired shall appear before the relevant authority at its meetings held in connection with his default.

7.8 INQUIRY

The relevant authority may conduct a strict inquiry into the accounts and dealings of the defaulter in the market and shall report anything improper, un-businesslike or unbecoming a clearing member in connection therewith which may come to its knowledge to the relevant authority appointed by Board for taking disciplinary actions.

7.9 VESTING OF DEFAULTER'S ASSETS IN THE EXCHANGE

The Relevant Authority shall call in and realise the security deposits in any form, collateral, margin money, other amounts lying to the credit of and commodities and securities deposited by the defaulter and recover all moneys, commodities, securities and other assets due, payable or deliverable to the defaulter by any other Trading Member in respect of any transaction or dealing made subject to and in accordance with the Bye-laws, Rules and Regulations of the Exchange and such assets shall vest ipso facto, on declaration of any trading member as a defaulter, in the Exchange for the benefit of and on account of any dues of the Exchange, other trading members, Constituents of the defaulter, approved banks and any other persons as may be approved by the Relevant Authority and other recognised Exchanges.

7.10 PAYMENT TO DEFAULT MANAGEMENT COMMITTEE

1. All monies, commodities, securities and other assets due, payable or deliverable to the defaulter must be paid or delivered to the Relevant Authority within such time of the

declaration of default as the Relevant Authority may direct. A clearing member violating this provision may be declared a defaulter.

2. A clearing member who shall have received a difference on account or shall have received any consideration in any deal prior to the date fixed for settling such account or deal shall, in the event of the clearing member from whom he received such difference or consideration being declared a defaulter, refund the same to the Relevant Authority for the benefit and on account of the creditor members. Any clearing member who shall have paid or given such difference or consideration to any other clearing member prior to such settlement day shall again pay or give the same to the Relevant Authority for the benefit and on account of the creditor member in the event of the default of such other member.
3. A clearing member who receives from another clearing member during any clearing a claim note or credit note representing a sum other than difference due to him or due to his constituent which amount is to be received by him on behalf and for the account of that constituent shall refund such sum if such other clearing member be declared a defaulter within such number of days as specified by the Relevant Authority after the settling day. Such refunds shall be made to the Relevant Authority for the benefit and on account of the creditor members and it shall be applied in liquidation of the claims of such creditor members whose claims are admitted in accordance with the Rules, Bye Laws, Rules and Regulations.

7.11 DISTRIBUTION

The Relevant Authority shall at the risk and cost of the creditor members pay all assets received in the course of realisation into such bank and/or keep them with Clearing House in such names as the Relevant Authority may from time to time deem appropriate and shall distribute the same as soon as possible pro rata but without interest among creditor members whose claims are admitted in accordance with the Bye Laws, Rules and Regulations.

7.12 CLOSING –OUT

1. Clearing members having open deals with the defaulter shall close out such deals after declaration of default. Such closing out shall be in such manner as may be specified by the relevant authority from time to time. Subject to the regulations in this regard specified by the relevant authority, when in the opinion of the relevant authority, circumstances so warrant, such closing out shall be deemed to have taken place in such manner as may be determined by the relevant authority.
2. Differences arising from the above adjustments of closing out shall be claimed from the defaulter or paid to the relevant authority for the benefit of creditor clearing members of the defaulter.

7.13 CLAIMS AGAINST DEFAULTER

Within such time of the declaration of default as the relevant authority may direct every clearing member carrying on business on the exchange shall, as it may be required to do, either compare

with the relevant authority his accounts with the defaulter duly adjusted and made up as provided in the Rules, Bye-Laws and Regulations or furnish a statement of such accounts with the defaulter in such form or forms as the relevant authority may prescribe or render a certificate that he has no such account.

7.14 DELAY IN COMPARISON OR SUBMISSION OF ACCOUNTS

Any clearing members failing to compare his accounts or send a statement or certificate relating to a defaulter within the time specified shall be called upon to compare his accounts or send such statement or certificate within such further time as may be specified.

7.15 PENALTY FOR FAILURE TO COMPARE OR SUBMIT ACCOUNTS

The relevant authority may take such action as it may deem fit including levying of fine and suspension, on any clearing member who fails to compare his accounts or submit a statement of its account with the defaulter or a certificate that he has no such account within the specified time.

7.16 MISLEADING STATEMENT

The relevant authority may take such action as it may deem fit including levying of fine and suspension, if it is satisfied that any comparison statement or certificate relating to a defaulter sent by such clearing member was false or misleading.

7.17 ACCOUNTS OF RELEVANT AUTHORITY

The relevant authority shall keep a separate account in respect of all monies, commodities, securities and other assets payable to a defaulter which are received by it and shall defray there from all costs, charges and expenses incurred in or about the collection of such assets or in or about any proceedings it takes in connection with the default.

7.18 APPLICATION OF ASSETS

The relevant authority shall apply the net assets remaining in its hands after defraying all such costs, charges and expenses as are allowed under Byre laws, Rules and Regulations to be incurred by the Exchange, in satisfying the claims in the order of priority provided hereunder:-

- a) Dues to the Exchange: The payment of such subscriptions, debts, fines, fees, charges and other moneys due to the Exchange / Clearing House of the Exchange.
- b) Dues to other Trading Members / Clearing Members and to Constituents of the defaulter: The payments as may be admitted by the Relevant Authority, as being due to other Trading Members, Clearing Members and Constituents of the defaulter for debts, liabilities, obligations and claims arising out of any contracts made by the defaulter subject to and in accordance with the Rules, Bye-laws and Regulations of the Exchange, provided that if the amount is insufficient then the amounts shall be distributed pro rata amongst other Trading

Members, Clearing Members and all the Constituents of the defaulter. The other Trading Members / Clearing Members shall in turn share the amounts so received with their Constituents on pro rata basis.

- c) Dues to the Approved Banks, Warehouses and claims of any other persons as approved by the Relevant Authority: After making payments under Clause (b) above, the amounts remaining, if any, shall be utilised to meet the claims of the approved banks and of any other person as may be admitted by the Relevant Authority. The claims of the approved banks should have arisen by virtue of the Exchange invoking any bank guarantee issued by the bank concerned to the Exchange on behalf of the defaulter to fulfill his obligation of submitting bank guarantee, guaranteeing discharge of obligations under the Byelaws, Rules and Regulations of the Exchange. The claims of other persons should have arisen out of or incidental to the transaction done on the Exchange or requirements laid down by the Exchange, provided that if the amount available be insufficient to pay all such claims in full, they shall be paid pro rata, and
- d) Surplus: Surplus, if any, to the defaulter clearing member.

7.19 CERTAIN CLAIMS NOT TO BE ENTERTAINED

The relevant authority shall not entertain any claim against a defaulter:

- a) Which arises out of a contract in commodities, dealings in which are not permitted or which are not made subject to and in accordance with Bye Laws, Rules and Regulations or in which the claimant has either not paid himself or colluded with the defaulter in evasion of margin payable on bargains in any contract or commodity;
- b) Which arises out of a contract in respect of which comparison of accounts has not been made in the manner specified in the Bye Laws, Rules and Regulations or when there has been no comparison if a contract note in respect of such deals has not been rendered as provided in the Bye Laws, Rules and Regulations;
- c) Which arises from any arrangement for settlement of claims in lieu of bonafide money payment in full on the day when such claims become due;
- d) Which is in respect of a loan with or without security;
- e) Which is not filed with the relevant authority within such time of date of declaration of default as may be specified by the relevant authority.

7.20 ASSIGNMENT OF CLAIMS ON DEFAULTERS' ESTATE

A Clearing member being a creditor of a defaulter shall not sell, assign or pledge the claim on the estate of such defaulter without the consent of the relevant authority.

7.21 PROCEEDINGS IN THE NAME OF DEFAULTER

The relevant authority shall be entitled to but not bound to take any proceedings in a court of law either in its own name or in the name of the defaulter as it may be advised for recovering any assets of the defaulter.

7.22 PAYMENT OF RELEVANT AUTHORITY

If any clearing member takes any proceedings in a court of law against a defaulter whether during the period of its default or subsequent to its re-admission to enforce any claim against the defaulter's estate arising out of any admitted deals in the market made subject to and in accordance with the Bye Laws, Rules and Regulations before it was declared a defaulter and obtains a decree and recovers any sum of money thereon, it shall pay such amount or any portion thereof as may be fixed by the relevant authority for the benefit and on account of the creditor members having claims against such defaulter.

8. SETTLEMENT FUND

8.1 CLEARING HOUSE TO MAINTAIN SETTLEMENT FUND

1. The Clearing House shall maintain Settlement Fund(s) for such purposes as may be specified by the relevant authority from time to time. The initial corpus of Settlement Fund shall be Rs. 5 (Five) crores or as decided by the Relevant Authority from time to time.
2. The relevant authority may prescribe from time to time the norms, procedures, terms and conditions governing each Settlement Fund which may inter-alia specify the amount of deposit or contribution to be made by each clearing member to the relevant fund, the terms, manner and mode of deposit or contributions, conditions of repayment of deposit or withdrawal of contribution from the fund, charges for utilisation, penalties and disciplinary actions for non-performance thereof.

8.2 CONTRIBUTION TOWARDS SETTLEMENT FUND

1. Each clearing member shall be required to contribute to and provide a deposit as may be determined from time to time by the relevant authority to the relevant Settlement Fund which shall be held by the Clearing House to be applied as provided in these Bye Laws, Rules and Regulations.
2. The relevant authority may specify the amount of contribution or deposit to be made by each clearing member and/or category of members, which may include inter alia the minimum amount to be provided by each clearing member.
3. The relevant authority may also specify such additions contribution or deposit that shall have to be provided towards the Settlement Fund from time to time to form part of the Settlement Fund.

8.3 FORM OF CONTRIBUTION/DEPOSIT

The relevant authority shall prescribe from time to time the form of contribution or deposit to the Settlement Fund. The relevant authority in its discretion, may permit a clearing member to contribute or provide the deposit either in the form of cash, securities, bank guarantee or by

such other method and subject to such terms and conditions as may be specified from time to time.

8.4 REPLACEMENT OF DEPOSIT

By giving a suitable notice to the Clearing House and subject to such conditions as may be specified by the relevant authority from time to time, a clearing member may withdraw qualifying securities from pledge, or may cause the Clearing House to revoke an acceptable letter of credit or bank guarantee, which secured the clearing member's contribution or deposit towards the Settlement Fund, provided that the clearing member has, effective simultaneously with such withdrawal or revocation, deposited cash with, or pledged qualifying securities to the Clearing House or through such other mode as may be approved the Clearing House from time to time to satisfy his required contribution or deposit.

8.5 ADMINISTRATION AND UTILISATION OF THE SETTLEMENT FUND

1. The Settlement Fund shall be utilised for such purposes as may be provided in the Bye Laws, Rules and Regulations and subject to such conditions as the relevant authority may prescribe from time to time which shall include:
 - a) To defray the expenses of creation, maintenance and repayment of the Settlement Fund;
 - b) Investment in such approved securities and other avenues subject to such terms and conditions as may be decided by the relevant authority from time to time;
 - c) The application of Settlement Fund to meet premium on insurance cover(s) which the relevant authority may take from time to time;
 - d) The application of Settlement Fund to meet shortfalls and deficiencies arising out of the clearing and settlement of such deals as provided in the Bye Laws, Rules and Regulations.
 - e) The application of the Settlement Fund to satisfy any loss or liability of the Clearing House arising out of clearing and settlement operations of such deals as provided in these Bye Laws, Rules and Regulations.
 - f) Repayment of the balance after meeting all obligations under these Bye Laws, Rules and Regulations to the clearing member when he ceases to be a member pursuant to the provisions regarding the repayment of deposit;
 - g) Any other purpose as may be specified by the relevant authority from time to time.
2. Save as otherwise expressly provided in these Bye Laws, Rules and Regulations, the Settlement Fund shall not be utilised for any other purpose.
3. The Clearing House shall have full power and authority to pledge, re-pledge, hypothecate, transfer, create a security interest in, or assign any or all of the (i) Settlement fund cash, (ii) securities or other instruments in which Settlement fund cash is invested and (iii) qualifying securities pledged by a clearing member or letters of credit or any other instrument issued on behalf of a clearing member in favour of the Clearing House towards deposit to the Settlement Fund.

8.6 UTILISATION FOR FAILURE TO MEET OBLIGATIONS

In the event a clearing member failing to meet obligations to the Clearing House arising out of clearing and settlement operations of such deals as provided in these Bye Laws, Rules and Regulations, the relevant authority may utilise the Settlement Fund and other monies to the extent necessary to fulfil the obligation under such terms and conditions as the relevant authority may specify from time to time.

8.7 UTILISATION IN CASE OF DEFAULT

In the event a clearing member is declared a defaulter and the clearing member fails to meet the clearing and settlement obligations to the Clearing House arising out of clearing and settlement operations of such deals as provided in these Bye Laws, Rules and Regulations, the relevant authority may utilise the Settlement Fund and other monies to the extent necessary to eliminate the obligation in the following order:

- a) any amount that may be paid in the form of margin or any other payment of the defaulting member retained by the Clearing House for the purpose of the clearing and settlement; if this amount is not sufficient to settle the obligation,
- b) any contribution or deposit made by or bank guarantee arranged by the defaulting member to the Settlement fund, whether in the form of cash or securities or bank guarantee; if this amount is not sufficient to settle the obligation,
- c) the amount of security deposit, if any, made by the defaulting member to the specified Exchange to the extent not appropriated by the Specified Exchange towards the obligations of the defaulting member to it; if this amount is not sufficient to settle the obligation,
- d) the proceeds, if any, recovered from auctioning or transferring the membership of the defaulting member in the Specified Exchange, subject to deduction of the expenses relating or incidental to the auction, if this amount is not sufficient to settle the obligation,
- e) the profits available for appropriation in the respective year in which the default took place, if this amount is not sufficient to settle the obligation,
- f) the retained earnings of the Clearing House including any reserves created for this purpose to the extent available, if this amount is not sufficient to settle the obligation,
- g) the amount of contribution and deposit made by all categories of clearing members to the Settlement Fund in proportion to the total contribution and deposit made by each clearing member,
- h) If the above amount is not sufficient, the balance obligation remaining after application of the above funds shall be assessed against the clearing members in the same proportion as their total contribution and deposit and clearing members shall be required to contribute or deposit in the Settlement Fund, within such time as the relevant authority shall require, the deficient amount.

8.8 OBLIGATION TO BRING IN ADDITIONAL CONTRIBUTION OR DEPOSIT

1. If a pro-rata charge is made as mentioned in the above provision against a clearing member's actual contribution or deposit, and as a consequence the clearing member's remaining contribution and deposit towards the Settlement Fund is less than his required contribution and deposit, the clearing member shall contribute or deposit in the Settlement Fund, within such time as the relevant authority shall require the deficient amount.
2. If the clearing member shall fail to do so, the relevant authority may charge such interest, impose penalties and fines and take such disciplinary action against the clearing member as it may determine from time to time. Any disciplinary action which the relevant authority takes pursuant to the above provisions or involuntary cessation of membership by the clearing member shall not affect the obligations of the clearing member to the Clearing House or any remedy to which the Clearing House may be entitled under applicable law.

8.9 ALLOCATION OF THE CONTRIBUTION OR DEPOSIT

The allocation of each clearing member's contribution and deposit towards Settlement Fund to meet the losses or liabilities of the Clearing House incidental to the operation of that clearing member may be decided by the Clearing House at its discretion.

8.10 CESSATION OF THE CLEARING MEMBER

1. A clearing member shall be entitled to the repayment of deposit made by him to the Settlement Fund after :
 - a) the clearing member ceases to be a member, and
 - b) all pending deals at the time the clearing member ceases to be a clearing member which could result in a charge to the Settlement Fund have been closed and settled, and
 - c) all obligations to the Clearing House for which the clearing member was responsible while he was a member have been satisfied or, at the discretion of the relevant authority, have been deducted by the Clearing House from the clearing member's actual deposit; provided, however, that the clearing member has presented to the Clearing House such indemnities or guarantees as the relevant authority deems satisfactory or another clearing member has been substituted on all deals and obligations of the clearing member, and
 - d) a suitable amount as may be determined by the relevant authority at its discretion has been set aside for taking care of any loss arising from any document defects that may be reported in the future, and
 - e) a suitable amount as may be determined by the relevant authority at its discretion towards such other obligations as may be perceived by the Clearing House to exist or may be perceived to arise in future.

2. The relevant authority may specify rules for the repayment of deposit including the manner, amount and period within which it will be paid but at no point of time will the repayment exceed the actual deposit available to the credit of the clearing member after deducting the necessary charges from the same.
3. Any obligation of a clearing member to the Clearing House unsatisfied at the time he ceases to be a clearing member shall not be affected by such cessation of membership.

8.11 RECOVERY OF LOSS AND RE-DISTRIBUTION

If a loss charged pro rata is afterward recovered by the Clearing House, in whole or in part, through insurance or otherwise, the net amount of the recovery shall be credited to the persons against whom the loss was charged in proportion to the amounts actually charged against them.

8.12 LIMITATION OF LIABILITY

The liability of the Clearing House resulting from the deemed contracts of clearing members with the Clearing House and to losses in connection therefrom be limited to the extent of contributions available to the Settlement Fund. The Clearing House of the Exchange shall not be liable for obligations of the non clearing member, obligations of the clearing member to another clearing member of the Clearing House towards deals to which the Clearing House is not a party or obligations to a constituent by a clearing member and losses in connection therefrom.

9. INVESTOR (CLIENT) PROTECTION FUND (FUND)

- 9.1 The Exchange shall establish and maintain an Investor (Client) Protection Fund (Fund) to be held in trust by NCDEX Investor (Client) Protection Fund Trust (Trust).

9.2 Object of the Fund:

The object of the fund shall be

- a) To protect and safeguard the interest of investors/clients, in respect of eligible/ legitimate claims arising out of default of the member of the Exchange, and
- b) To impart investors/client education, awareness, research or such other programmes as may be decided by the SEBI and or the Exchange from time to time out of the interest earned on investments of the Fund.

9.3 Composition of Fund:

The fund shall consist of,

- (a) such contributions from the Exchange as decided/directed by the SEBI, from time to time;

- (b) all penalties, except settlement related penalties levied/ collected by the Exchange and transferred to the Fund, from time to time;
- (c) interest, dividend or other income earned arising from investments of the Fund;
- (d) accretion arising from investments of the Fund;
- (e) any other money or property forming part of the Fund.
- (f) any contribution from the member of the Exchange, as may be stipulated by the Exchange from time to time.

The Exchange shall be further empowered to call from the member such additional contributions as may be required, from time to time, to make up for the short fall if any in the Fund, at the discretion of the Exchange.

The Exchange shall ensure that the funds are well segregated from that of the Exchange and that the Fund is immune from any liability of the Exchange.

9.4 Management of the Fund:

The Trustees shall have entire control over the management of the Fund. The Trustees shall meet preferably three times during the year and not more than four months shall elapse between any two meetings. Any three Trustees present shall constitute a quorum for such meetings. Each Trustee shall have one vote and the decision of the majority shall prevail. In case of equal division, the Chairman shall have a casting vote.

9.5 Accounts and Audit of the Fund:

Unless the Board of Directors of the Exchange otherwise directs, the accounts of the Fund shall be prepared and maintained as a part of the accounts of the Exchange and shall be audited as a part of the accounts of the Exchange.

9.6 Contributions to the Fund by the Exchange:

Subject to any further directive or guidelines of SEBI, the Exchange shall contribute to the Fund;

- (a) a sum equivalent to 1% of the turnover fee charged from the members of the Exchange or Rs.25,00,000/- (Rupees Twenty five Lacs only) whichever is lower in a financial year;
- (b) a sum of all penalties as and when levied and collected, after deducting the cost of the administration, not exceeding 10 per cent in total or as may be prescribed by the SEBI, from time to time;
- (c) The Board of Directors of the Exchange may also augment the Investor (Client) Protection Fund from such sources as it may deem fit.

9.7 Contributions to the Fund By the Members:

Every member of the Exchange shall contribute periodically to the Fund, such amounts, as may be determined by the Exchange, from time to time.

9.8 Threshold limit for claim:

(a) the Exchange shall be free to fix the suitable compensation limits, in consultation with the Trust. However, the maximum amount of compensation available against a single claim of an investor/Client arising out of default by a member of the Exchange shall be as prescribed by the Exchange subject to directives of SEBI, if any.

(b) the compensation payable shall not be more than actual amount payable to an investor/client subject to a maximum limit as decided by the Exchange or SEBI from time to time. The amount will be reduced by any amount or other benefits received or receivable by the investor / client from any source in reduction of the loss and by any amount payable by such investor / client to the defaulter member.

(c) the compensation payable in respect of claims against each Defaulter member shall be as prescribed by the Exchange provided however, such amount shall not exceed the maximum amount prescribed by SEBI.

The Exchange shall disseminate the said compensation limit or any change thereof to the public through Press Release and also Circulars issued by the Exchange through its website. However, SEBI may review the amount of compensation available against a single claim of a client or against each defaulter member whenever they deem fit.

(d) The Exchange, in consultation with the IPF Trust, shall review and progressively increase the amount of compensation available against a single claim of an investor, at least every three years.

9.9 Persons eligible for compensation from the Fund:

Legitimate claims of investors/ clients shall only be eligible for compensation out of the Fund. No claim of member or his Authorised Person (earlier known as Sub-broker) or Franchisee or any other market intermediary of any name or nomenclature shall be eligible for compensation out of the Fund.

9.10 Eligible Claims under the Fund:

Subject to the Rules, Bye-laws and Regulations of the Exchange,

(a) the Fund shall be utilized to compensate eligible/legitimate claims of an investor /Client arising out of transaction on the Exchange, in the manner and to the extent as prescribed by the SEBI/relevant authority from time to time in the following circumstances;

- i. Against a member being declared a defaulter,
- ii. Against a member who has preferred an arbitration reference pursuant to an order of IGRC.
- iii. Against a member who has preferred an appeal against a Decision/Award as the case may be.

- iv. Against a member who has made an application under section 34 of the Arbitration and Conciliation Act, 1996.
 - v. Toward money that may be spent for the protection of investors.
 - vi. the claim fulfills such other requirements as the Exchange may specify from time to time.
- (b) the claims received against the defaulter member during the specified period as notified by the Exchange, shall be eligible for being considered for compensation from the Fund.
- (c) If any eligible claims arises within three years from the date of expiry of the specified period, such claims;
- i. shall be considered eligible for compensation from IPF in case where the defaulter member's funds are inadequate. In such cases, IPF Trust shall satisfy itself that such claim could not have been filed during the specified period for reasons beyond the control of the claimant.
 - ii. Shall not be considered eligible for compensation from IPF in case where the surplus funds of the defaulter member is returned to the defaulter member. The same shall be borne by the Exchange after scrutinizing and satisfying itself that such claims could not be filed during the specified period for reasons beyond the control of the claimant.

Provided that any claim received after 3 years from the date of expiry of the specified period may be dealt with as a civil dispute.

9.11 Ineligible claims for compensation:

The Board of Directors of the Exchange or Defaulters' Committee of the Exchange or Trustees of the Trust shall not be obliged to consider the claims if such claims are arising out of or are in respect of:

- (a) a contract in commodities, dealings in which are not permitted or which are not subject to and in accordance with Bye-laws, Rules and Regulations/Business Rules of the Exchange or in which the claimant has either not paid himself or colluded with the defaulter member in evasion of margin (including initial, VAR, tender period margin, delivery period margin, Special / Additional margins, etc., as applicable from time to time) payable on transactions or contracts in any commodity; or
- (b) any outstanding balance or any outstanding difference in previous transactions which has not been claimed at the proper time and in the manner prescribed in Bye-laws, Rules and Regulations/Business Rules of the Exchange and/or which arises from arrangement for settlement of claims in lieu of bona fide money payment in full or part on the day when such claims become due; or
- (c) a loan with or without security; or
- (d) a portfolio management services; or
- (e) collusive or sham transactions.
- (f) Claims received against a member shall not be considered eligible for compensation from IPF where;

- a. the surplus fund of the defaulter member is returned to the defaulter member and;
- b. the claim has not been filed within the specified period.
- c. The claim has been filed after 3 years from the date of expiry of the specified period.

'Specified period' for the purpose of this chapter means such period as may be notified by the SEBI/relevant authority as the case may be for inviting the claims.

9.12 Procedure to be specified:

The Exchange/ Trustees shall be entitled to specify the procedures, subject to the guidelines/ directions issued by the **SEBI** from time to time, for carrying out the provisions of this Chapter and shall also be entitled to issue clarifications and directions for removing any difficulties in implementing the provisions of this Chapter.

9.13 Scrutiny of the Claims by Defaulters Committee:

The Exchange shall process the claims in accordance with the procedure as may be laid down by the Defaulters Committee. In the event of an award being passed in favour of the Client and upon crystallizing the liabilities and if the assets of the defaulter member are insufficient to meet the approved claims, the Defaulters Committee shall forward the claims along with the recommendations to the Trust.

9.14 Determination of the nature of claims and payment :

The Trustees shall have an absolute discretion as regards the mode and method of assessing the nature of the claims including their genuineness and shall likewise at their discretion accept, reject, or partially grant or allow claims and make payment thereof subject to the limits therein mentioned, as they may deem fit and proper. The Trustees shall admit only such of the claims which are admitted by the Defaulters' Committee or the Investors' Grievance Division/ Committee of the Exchange, and which could not be met from the assets of the defaulter member. If the Trustees are not satisfied that the claim is bona fide they shall reject the claim and inform the investor/Client accordingly along with the reasons. The Trustees may adopt the arbitration mechanism at the Exchange for determining the legitimacy of the claims received from the claimants. The Trustees may also seek the advice of the Defaulters' Committee before sanctioning and releasing the payments to be made to the claimants.

9.15 Decision of the Trustees shall be Final:

The decision of the Trustees regarding settlement or other wise of the claims shall be final and binding on the claimant. Claimant shall sign an undertaking to be bound by the decisions of the Trustees.

9.16 Appeal:

If any claim not entertained by the Defaulters' Committee or rejected by the Trustees, the claimant may prefer an appeal before the Board of Directors of the Exchange or any Sub-committee of the Board of Directors of the Exchange, constituted in this behalf.

The Board of Directors of the Exchange or such Sub-committee of the Board of Directors of the Exchange shall not be obliged to accept or direct payment of a claim merely because an arbitration award has been passed in favour of the investor/ Client or because the arbitration award has been passed with the consent of the Member or because the Member did not oppose the investor/ Client's claim.

The Board of Directors of the Exchange or such Sub-committee of the Board of Directors of the Exchange, shall be entitled to call upon the Client to produce such other information and documents as it may consider necessary for scrutinizing the Client's claim and may reject the claim if the Client fails to produce such information and documents.

9.17 Charge on Defaulter's Assets:

Upon payment of any money out of the Fund, the concerned defaulter member shall forthwith repay the money to the Fund along with interest at the rate of 2% per month (or such other rate as the Board of Directors of the Exchange may determine), from time to time. The Exchange, for the benefit of the Fund, shall have a first charge (subject only to and subservient to the charge in favour of the Settlement Guarantee Fund under these Rules, Bye-laws and Regulations/Business Rules of the Exchange) on all assets and properties of the defaulter member wherever situated and of whatsoever nature as a security for the repayment of such money and the payment of interest thereon at the rate of 2% per month (or such other rate as the Board of Directors of the Exchange may determine), from time to time, subject only to any and all charges, mortgages and other encumbrances created thereon by the defaulter member bona fide for valuable consideration prior to the day the member is declared as a defaulter.

9.18 Proceedings by the Board of Directors of the Exchange:

For the purpose of recovering any amount payable by the defaulter member to the Fund, the Board of Directors of the Exchange and/or the Managing Director / Chief Executive Officer shall be entitled to take such steps and proceedings (including but not limited to sale of any property of the defaulter or a portion thereof) as it/he may think fit against the defaulter member, the defaulter member's property and any person by whom any amount is payable to the defaulter member.

9.19 Claim Not To Affect Legal Proceedings:

The rejection or partial acceptance of any claim by the Trustees or the Board of Directors of the Exchange as the case may be, or the grant of any compensation to a client claimant shall not preclude or debar such client to pursue his investor / claim for dues against the defaulter member in any court of law or otherwise howsoever or other legal action on other grounds of causes of action of whatsoever nature subject to, howsoever, that the net claim of any such

investor / client against defaulter member shall stand reduced to the extent of the compensation received by him from the Fund.

9.20 Investment of Fund:

The Trustees shall invest all monies of the Fund in such manner as may be authorised by law for the time being in force for investment of public charitable trust funds. All investments and banking accounts of the Fund shall be kept by the Trustees in the name of the Fund.-The Trustees shall operate the Fund and its investments in such manner as deemed fit by the Trustees in accordance with the Trust Rules and as permissible under law for the time being in force.

9.21 Utilization of the Interest by the Board of Directors of the Exchange:

The Board of Directors of the Exchange may utilize only the interest earned on the Fund, subject to approval of the Trust, for investors' education, awareness or such other programme authorized by the SEBI. The corpus of the Fund will not be utilized for this purpose.

9.22 Repayment by Payee Disentitled to Receive:

If any claim amount has been paid from the Fund and it is subsequently found that the payee was for any reason not entitled to receive such claim amount then the payee shall forthwith repay the same to the Fund together with interest thereon at the rate of 2% per month (or such other rate as the Exchange may specify) from time to time, for the period commencing on the date on which the payment was received by the payee and ending on the date on which such amount is repaid by the payee.

9.23 Cost /Expenses of the Administration of the Fund:

All the expenses incurred by the Trustees in connection with the creation, administration and management of the Fund including ;

- b. the sitting fees, conveyance and other expenses, etc., of the Trustees
- c. remuneration/wages of the employees of the Trust,
- d. fees of auditors, Chartered Accountants, Legal Advisors, Lawyers
- e. all rates, taxes, Cess, assessments, dues and duties, if any payable in respect of any Trust Property, income , collection, investment, contributions, and services,
- f. premium for the insurance of the building or any other insurable property movable or immovable for the time being forming part of the Trust Property.
- g. Cost and expenses incurred for
 - i. inviting claim for compensation from the investors
 - ii. settlement of claims, advertisements, training, preparation and distribution of books and periodicals on commodity derivative market

- h. all other costs, charges and expenses incidental to the management and administration of the Trust Property in accordance with the object and purposes hereof which may be incidental thereto, shall be paid out of the Fund.

9.24 Loss to Fund Investments:

Any loss or diminution in value of the investments of the Fund from whatever cause arising, not being due to the willful default or fraud of any member(s) of the Exchange, or of any sub-committee or any Trustee(s), shall be borne by the Fund and the members of the Exchange or of the sub-committee or the Trustee(s) shall incur no responsibility or liability by reason of or on account thereof. In case of any such loss or diminution by reason of willful default or fraud by any member of the Exchange or of any sub-committee or any Trustee(s), the persons committing the willful default or fraud shall be personally liable for the loss or diminution and other persons who are not parties to the willful default or fraud shall not be liable for the loss or diminution.

9.25 Secretariat:

The Exchange shall provide the secretariat for the Fund/ Trust.

9.26 Indemnity:

The Fund shall bear all costs, charges and expenses for all suits, actions, proceedings and claims filed or made against the Trustees except those arising out of their willful default or fraud.

9.27 Correspondence:

The Exchange and or the Trustees of the Trust shall not be obliged to recognize or act upon any communication unless it is in writing, discloses the identity and address of the person addressing the communication and is signed and submitted in original by the person addressing the communication.

9.28 Liability of the Fund:

The liability of the Fund shall not exceed the funds available with the Trust and in respect of any unpaid claims, on account of insufficiency of funds, the Exchange / Trust/ Trustee shall not be liable and the investor/ client may proceed against the member declared as Defaulter for the same.

9.29 Unutilised Fund in case of Winding UP:

In case the Exchange is wound-up, then the balance in the Fund lying un-utilized with the Trust, shall be transferred to SEBI. In such an event, the funds will be maintained in a separate account and SEBI would act as trustee of the funds. The funds shall be utilized for purposes of

investor/client education, awareness, research or such other programme as may be decided by the SEBI, from time to time.

9.30 Discretionary Nature of Fund:

The Fund shall be discretionary fund and the Trust/ Trustees or the Exchange shall be under no legal obligation to collect the debt of a defaulter member and / or to make payments from the Fund as mentioned in this Chapter.

9.31 Bar on Assignment:

The contribution of a member shall not be a debt due from the Fund and no member shall be entitled to transfer or assign in any manner his contribution to the Fund.

9.32 Claim on the direction of any other authority on the Fund:

Claim on the direction of any other authority on the Fund may be routed through the Securities Laws.

9.33 Liability of Member Unaffected by Cessation or Suspension of Membership:

Any unsatisfied obligation of a member to the Fund shall not be discharged or otherwise prejudicially affected by the suspension or cessation of his membership.

9.34 Action for Failure to Pay to Fund:

The Board of Directors of the Exchange, may take such action, as it thinks fit and proper, against a member who fails to pay any amount to the Fund including action by suspending, fining, declaring him as a defaulter, canceling its/his registration as a member or expulsion from the membership of the Exchange.

9.35 Powers of the Trust to recall any amount:

1. Notwithstanding anything stated elsewhere in the Rules, Bye-laws and Business Rules of the Exchange, if the Trust has reason to believe that any transaction
 - (a) is fraudulent; or
 - (b) is disallowed under any Rules, Bye-law and Business Rules of the Exchange relating to the default of a member; or
 - (c) is connected with payment or repayment of a deposit or loan; or
 - (d) has been paid erroneously then the Trust shall be entitled to recover such amount.
2. The Trust shall afford an opportunity to the concerned person(s) to be heard by giving him/them not less than seven days written notice before finally determining to recall any amount.

3. For the purpose of determining whether or not to recall any amount, the Trust shall be entitled to consider, inter alia, the surrounding circumstances, the usual course of dealings on the Exchange, the relationship between the defaulter member and the claimant, the quantity and price of the Contract involved in the transaction, other similar trades and such other matters as the Trust thinks relevant.

9.36 Arbitration:

Any claim, dispute or difference between the Defaulters' Committee/ Exchange or the Board of Directors of the Exchange on the one hand and a defaulter member on the other hand in connection with any amount payable or alleged by the Defaulters' Committee / Exchange or the Board of Directors of the Exchange as being payable by the defaulter to the Fund shall be referred to the Arbitration of the Managing Director /Chief Executive Officer of the Exchange or to the Arbitration of such person from the panel of Arbitrators of the Exchange, as the Managing Director /Chief Executive Officer of the Exchange may nominate in this behalf.

10. SAVINGS AND CONTINUATION

- A. In pursuance of section 28A of the Forward Contracts (Regulation) Act, 1952 (FCRA) the Bye laws of the Exchange made under the FCRA (referred to as 'the existing Exchange Bye laws'), shall not be applicable after a period of one year from September 29, 2015 due to repeal of FCRA with effect from September 29, 2015. Notwithstanding such repeal, -
 - (i) All actions or activities pursuant to trades executed under the provisions of the existing Exchange Bye laws, including but not limited to clearing, settlement, auctions, dispute resolution or arbitration and default redressal shall be undertaken and enforced under the corresponding provisions of these Bye laws.
 - (ii) All rights and liabilities accruing under the existing Exchange Bye laws including but not limited to risk management measures such as maintenance of Investor Protection Fund and Settlement Fund shall continue to accrue under the corresponding provisions of these Bye laws.
 - (iii) All eligible members of the Exchange or their agents granted admission to dealings or granted permission to access the trading platform of the Exchange in terms of the existing Exchange Bye laws, shall continue to exercise such rights in the Exchange in terms of the corresponding provisions of these Bye laws, subject to provisions of SCRA and the Rules and Regulations made thereunder and the SEBI Act and the Rules and Regulations made thereunder and any directives or Circulars etc. issued by SEBI from time to time.
 - (iv) Anything done or any action taken or purported to have been done or taken including any inspection, order, penalty, proceeding or notice, made, initiated or issued or any confirmation or declaration made or any license, permission, authorization or exemption granted, modified or revoked or any document or instrument executed, or any direction given under the existing

Exchange Bye laws, shall be continued or enforced by the Exchange, in terms of the corresponding provisions of these Bye laws.

- (v) All violations of provisions of the existing Exchange Bye laws and any proceedings initiated or pending as on September 28, 2016, shall continue to be governed by the corresponding provisions of these Bye laws.

B. The Exchange, as directed by SEBI shall be empowered to issue clarifications with regard to any of the provisions of these Bye laws.

Date: September 20, 2016

SAMIR SHAH,

Place: Mumbai

MD & CEO.

Serial No. M-16201

**NATIONAL COMMODITY & DERIVATIVES EXCHANGE LIMITED
MUMBAI**

The Memorandum of Association and Articles of Association of National Commodity and Derivatives Exchange Ltd have been amended pursuant to the merger of FMC with SEBI and repeal of FCR Act, and in accordance with the directives of Securities and Exchange Board of India (SEBI) and the same has been approved by the SEBI vide its letter no. SEBI/HO/CDMRD/DEA/OW/P/2016/25984 dated September 16, 2016 and direction of SEBI vide letter no. CDMRD/DEA/OW/21544/2016 dated August 01, 2016 as under:

THE COMPANIES ACT, 1956

(A COMPANY LIMITED BY SHARES)

**MEMORANDUM OF ASSOCIATION
OF
NATIONAL COMMODITY & DERIVATIVES EXCHANGE LIMITED**

- I. The name of the Company is NATIONAL COMMODITY & DERIVATIVES EXCHANGE LIMITED.
- II. The Registered office of the Company is situated in the State of Maharashtra within the jurisdiction of Registrar of Companies situated at Mumbai.
- III. **The objects for which the Company is established are**

A. THE MAIN OBJECTS TO BE PURSUED BY THE COMPANY ON ITS INCORPORATION ARE:-

- (1) To facilitate, promote, assist, regulate and manage in the public interest, dealings in commodities (which expression shall include goods as defined in Securities Contracts (Regulation) Act, 1956 as amended from time to time) of all kinds and to provide specialised, advanced, automated and modern facilities for nation-wide trading in commodities and in all types of contracts for buying and selling of commodities, including its derivatives such as Futures, Options and other kinds of derivatives, permitted and to be permitted in future, clearing and settlement thereof, with a high standard of integrity and honesty, and to ensure trading in a transparent, fair and open manner with access to all players in the commodity markets including foreign funds, corporates and banks engaged in financing commodity transactions from areas in or outside India.
- (2) To initiate, facilitate and undertake all such activities in relation to Exchange dealing in commodities and its derivatives, as are required for reliable nationwide platform to hedge commodity and price related risks for cross-section of players in the various commodities including producers, manufacturers, traders, exporters and importers; to offer hedging and other related requirements to the community at large; to provide novel and innovative safety mechanisms, to the market participants in such commodities; and to support, develop, promote and maintain a healthy market in the best interests of the all players, market participants and the general public and the economy and to introduce high standards of professionalism among themselves and the commodity(ies) markets in general.

B. THE OBJECTS INCIDENTAL OR ANCILLARY TO THE ATTAINMENT OF THE MAIN OBJECTS :-

- (3) To apply for and obtain from the Government of India recognition of the Exchange as a recognised Commodity & Derivatives Exchange for the purpose of managing the business of purchase, sale, dealings and transactions in the commodities within the meaning of Securities Contracts (Regulation) Act, 1956 and the rules made thereunder.
- (4) To frame and enforce Rules, Byelaws and Regulations regulating the mode and manner, the conditions, subject to which business on the Commodity & Derivatives Exchange shall be transacted and the rules of conduct of the Trading Members and Clearing Members of the Exchange including all aspects relating to membership, trading, settlement, constitution of committees, delegation of authority and general diverse matters pertaining to the Exchange and also including code of conduct and business ethics for the Trading Members and from time to time, to amend or alter such rules, byelaws and regulations or any of them and to make any new, amended or additional rules, byelaws or regulations for the aforesaid purposes.
- (5) To settle disputes and to decide all questions of trading methods, practices, usages, custom or courtesy in the conduct of trade and business at the National Commodity & Derivatives Exchange.
- (6) To fix, charge, recover, receive security deposit, admission fee, fund subscriptions, subscription and such other charges, fees from trading members / clearing members of the Exchange or the Company in terms of the Articles of Association and Rules and Byelaws of the Exchange and also to fix, charge and recover deposits, margins, penalties, adhoc levies and other charges.
- (7) To regulate and fix the scale of commission and brokerage and other charges to be charged by the trading / clearing members of the Exchange.
- (8) To facilitate resolution of disputes by arbitration or to nominate arbitrators or umpires on such terms and in such cases as may seem expedient; to set up Regional or local arbitration panels and to provide for arbitration of all disputes and claims in respect of all transactions relating to or arising out of or in connection with or pertaining to transactions in commodities and including arbitration of disputes between members of the Exchange and between members of the Exchange and persons who are not members of the Exchange but constituents of members of the Exchange; and to remunerate such Arbitrators, Regional Arbitration panels or Local Panels and to make rules, bye-laws and regulations in relation to such arbitration proceedings, the fees of arbitrators, the costs of such arbitration, and related matters and to regulate the procedures thereof and enforcement of awards and generally to settle disputes and to decide all questions of usage, custom or courtesy in the conduct of trade and business in commodities.
- (9) To establish and maintain or to arrange or appoint agents, to establish and maintain one or more clearing houses for the achievement of objects and purposes of the Company and / or maintain warehouses, godowns, certification agencies, clearing corporation and such other related entities or divisions and to control and regulate the working and administration thereof.
- (10) To take part in the management of or set up an advisory or research division and act as consultants and advisers for the setting up and organising of Exchanges in India or abroad, and to act as consultants for commodities and their marketing and advising on the incidents and features of trading on the Exchange and to enter into an association with any other Exchange in India or abroad whether by

subscription or on a co-operation principle for furthering the objects of the Company.

- (11) To acquire, collect, preserve, disseminate or sell or otherwise provide to any person for consideration or otherwise any statistical, research material or other information, to maintain a library and to print, publish, undertake, manage and carry on any newspaper, journal, magazine, pamphlet, official year book, daily or other periodicals or other works in connection with or in furtherance of the objects of the Exchange.
- (12) To provide counsel or advice, assist or help in obtaining counsel or advice on business strategies, including management, technology, production, marketing and finance or to take part in the management of or set up an advisory or research division and act as consultants and advisors for the setting up and organising of such set-ups in India or abroad.
- (13) To enter into arrangements with any government, central, state, municipal or local bodies or other authority which may seem conducive to the Company's objects or any of them and to obtain from any such government or authority any powers, licenses, concessions, grants or decrees, rights or privileges, whatsoever which the Company may think fit or which may seem to the Company capable of being turned to account any such arrangements, powers, licenses, concessions, grants, decrees, rights or privileges.
- (14) To act as Trustees of any deeds constituting or securing any debentures, debenture stock or other securities or obligations, to undertake and execute any other trusts and also undertake the office of or exercise the powers of executor, administrator, receiver, custodian and trust corporation.
- (15) To receive and hold in trust as trustees, nominees, agents of any person, company, body corporate, trust, fund, institution, corporation, government, state or of municipal or other authority or public body, client, member, shareholder, depositor or any other intermediary, any and all kinds of property including shares, stocks, debentures, securities, policies, book debts, claims, choses in action, bonds, promissory notes, participation certificates, lands, buildings, hereditaments, business concerns and undertakings, mortgages, charges and annuities, patents, licences, leases and interests of every kind or against any person, company, body corporate and to collect and receive all dividends, interests, monies payable to or receivable from the beneficiary in respect of such property so held by the Company and hold, sell, buy, transfer, exchange, mortgage, pledge, assign, deal with or manage the same in the normal course of the business of the Company.
- (16) To constitute any trusts with a view to issue preferred, deferred or any other special stocks, securities, certificates or other documents based on or representing any shares, stocks, securities, certificates or other document or other assets appropriated for the purpose of any such trust and to settle and regulate and, if required, to undertake and execute any such trust to issue, hold or dispose of any such preferred, deferred or other special stocks, securities, certificates or documents.
- (17) To negotiate, enter into and perform or obtain performance of contract(s) with foreign or other companies or bodies corporate, firms and individuals with regard to technology transfer, know-how, technical process, technical assistance, technical or other collaboration, in connection with the setting up and operation of computer hardware and software and telecommunications and any other necessary system or establishment in connection with the business of the Company.

- (18) To undertake designing, constructing and developing, management know-how, studies, development and evaluation of projects, expertise, data, information and / or dealing with technical know-how connected with the activities referred to in the main objects of the Company.
- (19) To act as brokers, negotiate with banks, financial institutions and others for arranging loans, and underwriting of shares and debentures and to undertake and carry out promotion and formation of companies, firms, associations, trusts and run and manage them for others and on own account and to assist in selection, recruitment and hiring of personnel.
- (20) To provide technical know-how in India and abroad which is likely to assist the manufacture of goods or processing of materials or in the installation or erection of plant or machinery for such manufacture or processing including providing of technological design, installation and erection information and to render engineering, technical management and various types of skilled and other services to all types of business and industry or other organisation.
- (21) To improve and elevate the technical and business knowledge of persons engaged in or about to be engaged in activities pertaining to Company or in connection therewith and with a view to provide for delivery of lectures and the holding of classes or form any such technical or educational institutions and to run and administer it.
- (22) To achieve greater growth of the national economy through increased productivity, effective utilisation of materials and manpower resources, export promotion and continued application of modern techniques so as to discharge its social and moral responsibilities to the shareholders, employees, customers, local community and the society, and to undertake, carry out, promote and sponsor or assist any activity which the Directors consider likely to promote national welfare or social, economic or moral upliftment of the public or any section of the public and in such manner and by such means as the Directors may think fit and the Directors may without prejudice to the generality of the foregoing undertake, carry out, promote and sponsor any activity for publication of any book, literature, newspaper or for organising lectures or seminars likely to advance these objects or for giving merit awards, or giving scholarships to any other person to enable them to pursue their studies, academic pursuits or researches and for establishing, conducting or assisting any institution, fund or trust having any one or more of the aforesaid objects as its objects, by giving donations or otherwise in any other manner as the Directors may at their discretion think fit in order to implement any of the above mentioned objects or purpose transfer without consideration or at such value as the Directors may think fit and deliver the ownership of any property of the Company to or in favour of public or local body or authority or Central or state governments or any public institutions or trust or funds or organisation of persons as the Directors may approve.
- (23) To undertake, carryout, promote, and sponsor development including any programme for promoting the social and economic welfare or upliftment of the public in any rural area and to incur any expenditure on any programme of rural development and to assist execution and promotion thereof either directly or through an independent agency or in any other manner without prejudice to the generality of the promoting of rural development and that word rural area shall include such area as may be regarded as rural areas under section 35CC of the Income Tax Act, 1961 or any other law relating to rural development for the time being in force or as may be regarded by the Directors as rural areas.
- (24) To carry on the business as forwarding agents, representatives of manufacturers, sales and marketing.

- (25) To become a member of or co-operate with any other association whether incorporated or not, whose objects are to promote the interests represented by the Exchange or to promote general, commercial and trade interests and to procure from and communicate to such association such information as may further the objects of the Exchange or promote measures for the protection and promotion of the business of the Exchange.
- (26) To enter into any partnership or arrangement in the nature of a partnership, joint venture, co-operation or union of interest, with any person or persons, company or corporation engaged or interested or about to be engaged or interested in the carrying on or conduct of any business or enterprises which the Company is authorised to carry on or conduct or from which the Company would or might derive any benefit whether direct or indirect.
- (27) To purchase or otherwise acquire and take over either the whole or any part of, or any interest in the business, goodwill, trade marks, patents, property, contracts, agreements, rights, privileges, effects, assets and liabilities of any person or persons, firm, other company, body corporate or corporation carrying on or having ceased to carry on, any business which the Company is authorised to carry on or possessing property suitable for the purpose of the Company and upon such terms and subject to such stipulations and conditions and at or for such price or consideration, if any, in money, shares, money's worth, or otherwise as may be deemed advisable.
- (28) To employ or engage staff to carry out the objects and to acquire from any person, firm or body corporate whether in India or elsewhere technical information, know-how, grants or licences.
- (29) To open bank accounts of all nature including overdraft accounts with any bank and operate such accounts.
- (30) To adopt such means of making known the services, business interests of the Company as it may deem expedient and in particular by advertising in the press, radio, television, web, and cinema, by circulars, by purchase, construction and exhibitions of work or art or general interest, by publication of books and periodicals and by granting prizes, rewards, scholarships and donations, subject to Section 293A of the Companies Act, 1956.
- (31) To procure recognition for the Company in or under the laws of any place outside India and to take such steps as may be necessary to give the Company same rights and privileges in any part of the world as are possessed by, or available to, local companies or partnerships of a similar nature.
- (32) To appoint trustees (whether individuals or corporations) to hold securities on behalf of and to protect the interests of the Company.
- (33) To appoint attorneys and agents whether on commission, fees or otherwise and constitute agencies and sub-agencies of the Company in India and elsewhere.
- (34) To remunerate any person or company, corporation or body corporate for the services rendered or to be rendered in acting as trustees for debentures or debenture stock holders or placing or assisting to place or guarantee the placing of any of the shares in the Company's capital or debenture or debenture stock or other securities of the Company or the conduct of its business or for guaranteeing the payment of such debentures or debenture stock and interest.
- (35) To insure any or all of the properties, undertakings, contracts, risks or obligations of the Company in such manner as the Company may deem fit.

- (36) To apply for, purchase or otherwise acquire, protect and renew in any part of the world any patents, patent rights, *brevets d invention*, trade marks, designs, licences, concessions, rights, privileges and the like conferring of any exclusive or limited right to use any secret or other information as to any invention which may seem capable of being used for any of the purposes of the Company or may appear likely to be advantageous or useful to the Company and to use, exercise, develop or grant licences, privileges in respect of or otherwise turn to account the property rights or information so acquired and to assist, encourage and spend money in making experiments of all inventions, patents and rights which the Company may acquire or propose to acquire in connection with its business.
- (37) To establish, provide, maintain and conduct, or otherwise subsidise research laboratories and experimental workshops for scientific and technical research and experiments and to undertake and carry on with all scientific and technical researches, experiments and tests of all kinds and to promote studies and research, both scientific and technical investigations and inventions by providing subsidising, endowing or assisting laboratories, workshops, libraries and arranging lectures, meetings and conferences and by providing for the remuneration of professors or teachers and by providing for the award of scholarships, prizes and grants to students or otherwise and generally to encourage, promote and reward studies, researches, investigations, experiments, tests and inventions of any kind that may be considered likely to assist any of the business which the Company is authorised to carry on.
- (38) To amalgamate, enter into any partnership or partially amalgamate with or acquire interest in the business of any other company, person or firm carrying on or engaged in, or about to carry on or engage in any business or transaction included in the objects of the Company, or enter into any arrangement for sharing profits, or for co-operation or for mutual assistance, with any such person, firm or company or to acquire, carry on business that are ancillary to the business of the Company or connected therewith or which may seem to the Company capable of being conveniently carried on in connection with the above, to give or accept by way of consideration for any of the acts or things aforesaid or property acquired, any shares, debentures, debenture stock or securities that may be agreed upon, and to hold and retain, or sell, mortgage and deal with any shares, debentures, debenture stock or securities so received.
- (39) To form, promote, subsidise or organise and assist or aid in forming, constituting, promoting, subsidizing or organising and assisting or aiding companies or partnerships of all kinds having similar objects for the purpose of acquiring any undertaking or any property whether movable or immovable, whether with or without liability of such undertaking or company or any other company, for advancing directly or indirectly the objects hereof and to take or otherwise acquire, hold and dispose of shares, debentures and other securities in or of any such company and to subsidise or otherwise assist or manage or own any such company in furtherance of the objects of the Company.
- (40) To do in India or any other part of the world either as principals, agents, trustees, contractors or otherwise and either alone or in conjunction with others and either by or through agents, contractors, trustees or otherwise for the attainment of the objects of the Company.
- (41) To own, establish or have and maintain offices, branches and agencies in or out of India for its business.
- (42) To subscribe, contribute, make donations or grants or guarantee money for any general or useful object(s) or fund(s) or institution(s) and to aid pecuniarily or otherwise, any association, body or movement having as its object the solution,

settlement or surmounting of industrial or labour problems or trouble or the promotion of business, industry, trade, commerce, commodities market.

- (43) To establish and support or assist in the establishment and support of any funds, trusts and conveniences calculated to advance and further the objects and purposes of the Company or required by law.
- (44) To effect payments or disbursements out of the funds or other movable property(ies) of the Company for any of the purposes specified in these presents and the Articles of Association and Rules, Byelaws & Regulations of the Exchange and to make, draw, accept, endorse, discount, execute warrants, debentures or other negotiable or transferable documents.
- (45) To borrow, raise loans (other than public deposits) in Indian or foreign currencies in any form, accept deposits, create indebtedness, receive grants or take advances (whether interest free or not), procure equity loans or raise any monies required for the objects and purposes of the Company upon such terms and in such manner and with or without security as may from time to time be determined and in particular by the issue of debentures, debenture stock, bonds or other securities, provided always and it is hereby expressly declared as an original and fundamental condition of any such borrowing or raising of monies, that in all cases and under all circumstances any person claiming payment whether of principal or interest or otherwise howsoever in respect of the monies so borrowed or raised shall be entitled to claim such payment only out of the funds, properties and other assets of the Company which alone shall be deemed to be liable to answer and make good all claims and demands whatsoever under and in respect of the monies so borrowed or raised and not the personal funds, properties and other assets of all or any one or more of the members of the Board of Directors or Members of the Company, their or his heirs, executors, administrators, successors and assigns who shall not and shall not be deemed to in any way incur any personal liability or render themselves or himself personally subject or liable to any claims or demands or be charged under and in respect of the monies so borrowed or raised, and in the event of the funds, properties and other assets of the Company being insufficient to satisfy the claims of all persons claiming payment as aforesaid, the right of any such person shall be limited to and he shall not be entitled to claim anything more than his part or share of such funds, properties and other assets of the Company in accordance with the terms and conditions on which the monies have been so borrowed or raised.
- (46) To invest, lend or advance the monies of the Company not immediately required in or upon such security and with or without interest and in such other investments as may from time to time be determined by the Company.
- (47) To lend money and negotiate loans, to draw, accept, endorse, discount, buy, sell and deal in bills of exchange, promissory notes, bonds, debentures, hundies, coupons and other negotiable instruments and securities, to issue on commission, subscribe for purchase, take, acquire and hold, sell, exchange and deal in shares, stocks, bonds, debentures, obligations or securities of any Government, local authority or other interest in any other company. To carry on in all their respective branches the business of hire purchase, housing general finance, investment trust, legal and life insurance trust.
- (48) For achievement of all or any of the purposes of the Company, to draw, make, accept, endorse, discount, execute, issue, negotiate and sell bills of exchange, promissory notes, cheques, bills of lading, warrants and other negotiable instruments with or without security upon such terms and conditions as the Company deems fit and also to advance any sum or sums of monies upon materials or other goods or any other things of the Company upon such terms and securities as the Company may deem expedient.

- (49) To receive money on deposit or otherwise upon such terms and conditions as the Company may approve, and to give guarantee and indemnities in respect of debts and contracts of others.
- (50) To secure or discharge any debt or obligation or binding in such manner as may be thought fit and in particular by mortgages, hypothecation, pledge of or charges upon the undertaking and all or any of the assets and property (present and future) and the uncalled capital of the Company or by the creation and issue on such terms as may be thought expedient, of debentures, debenture-stock, or other securities of any description or by the issue of shares credited as fully or partly paid-up.
- (51) To give guarantee, and carry on and transact every kind of guarantee and counter guarantee business and in particular the payment of any principal monies, interest or other monies secured by or payable under debentures, bonds, debenture-stock, mortgage, charges, contracts, obligations and securities and the payment of dividends on and the repayment of the capital stocks and shares of all kinds and descriptions.
- (52) To acquire any shares, stocks, debentures, debenture-stock, bonds, derivatives, obligations or securities by original subscription, tender, purchase, exchange or otherwise and to subscribe for the same either conditionally or otherwise, and to guarantee to the subscription thereof and to exercise and enforce all rights and powers conferred by or incidental to the ownership thereof in furtherance of the objects of the Company.
- (53) To erect, construct, extend and maintain suitable building(s) or premises for any of the purposes of the Company and to alter, add, modify, change to or remove or replace or substitute, or augment space in any such building or buildings.
- (54) To buy, purchase, sell, lease, take on lease, exchange or otherwise acquire lands, building, flats and hereditaments of any tenure or description in India or elsewhere whether for residential, business, manufacturing or other purposes and any rights, easements, advantages, and privileges relating thereto and to construct, alter, improve, decorate, develop, furnish and maintain offices, flats, houses, factories, warehouses, godowns, shops, buildings and other structures, works and conveniences of all kinds on any of the lands or immovable properties purchased or acquired by the Company for its own use.
- (55) To sell, insure, mortgage, exchange, lease, let, underlease or sub-let, grant licenses, easement and other rights over, improve, manage, develop and turn to account and in any other manner deal with or dispose of the undertaking(s), investments, property(ies), assets, rights and effects of the Company or any part thereof for such considerations as may be thought fit, including any stocks, shares or securities of any other company, whether partly or fully paid up.
- (56) To train or pay for the training in India or abroad of any of the Company's employees or any candidate in the interest of or for the furtherance of the Company's objects.
- (57) To provide for the welfare of employees or ex-employees of the Company or its predecessors in business and the spouse, widow or widower, father (including step-father), mother (including step-mother), brother (including step-brother), sister (including step-sister), son (including step-son), daughter (step-daughter), son's widow, daughter's widower, deceased son's children, deceased daughter's children or dependents of such employees or ex-employees, by building or contributing to the building of houses or dwellings or by grant of money, pensions, allowances, bonus, ex-gratia or other payments or by creating and from time to

time subscribing or contributing to provident funds and other associations, institutions, funds or trusts and by providing or subscribing or contributing towards places of instruction and recreation, hospitals and dispensaries, medical and other attendances and to subscribe or contribute to or otherwise assist chairtable, benevolent, national and or other institutions or objects.

- (58) Subject to the provisions of the Companies Act, 1956, to indemnify officers, directors, employees, promoters and servants of the Company or any persons otherwise concerned with the Company against proceedings, costs, damages, claims and demands in respect of anything done or ordered to be done by them, for and in the interest of the Company or for any loss or damage or misfortune whatever that may happen in the execution of duties of their offices and / or in relation thereto.
- (59) To distribute any of the property of the Company in specie or in kind among the members in the event of winding up subject to the provisions of the Companies Act, 1956 or any modification or replacement thereof.
- (60) To exercise all or any of its corporate powers, rights and privileges and to conduct its business in all or any of its branches in the Union of India and in any or all States and territories and in any or all foreign countries and for this purpose to have and maintain and to discontinue such number of offices and agencies therein as may be convenient.
- (61) To promote or join in the promotion of any company or companies for the purpose of acquiring all or any of the property, rights and liabilities of the Company, or of advancing, directly or indirectly, the objects or interests thereof, or for any other purpose which may seem directly or indirectly calculated to benefit the Company and to take or otherwise acquire, and hold shares in any such company, and to guarantee the payment of any debentures or other securities issued by any such company.
- (62) To pay all costs, charges and expenses of and incidental to the formation, promotion, registration and establishment of the Company and issue of its capital including any underwriting or other commission, broker's fee and charges in connection therewith including costs, charges of negotiations and contracts and arrangement made prior to and in anticipation of the formation and incorporation of the company.
- (63) To take part in the management, supervision or control of the business or operations of any company or undertaking and for that purpose to render technical and professional services and act as administrators or in any other capacity, and to appoint and remunerate any directors, administrators or accountants or other experts or agents for consideration or otherwise.
- (64) To do all and everything necessary suitable or proper for the accomplishment of any of the purposes of the attainment of any of the objects.

C. OTHER OBJECTS

NIL

IV. The liability of the Members is limited.

- V. (a) The Authorised Share Capital of the Company is Rs. 70,00,00,000/- (Rupees Seventy Crores only) divided into 6,00,00,000 (Six Crores only) Equity Shares of Rs. 10/- (Rupees Ten Only) each and 1,00,00,000 (One Crore only) preference shares of RS. 10/- Rupees Ten Only) each with power to increase or reduce the capital from time to time in accordance with these Articles and subject to the provisions of The Act and to divide the shares in the capital of the Company from the time being into several classes and attach thereto respectively such preferential, deferred, qualified or special rights, privileges,

restrictions or conditions whether in regard to dividend, voting, return of capital or otherwise in accordance with these Articles for the time being and to vary, modify or abrogate any such rights, privileges, conditions or restrictions in such manner as may be provided in The Act or as provided by these presents.

(b) The minimum paid up capital of the company shall be Rs 5,00,000/-(Rupees Five Lakhs only)

We, the several persons whose names, addresses, descriptions and occupations as hereunto subscribed, are desirous of being formed into a Company in pursuance of this Memorandum of Association and we respectively agree to take the number of shares in the capital of the Company as set opposite our respective names.

Sr. No.	Name, address and description of the Subscribers	Number of Equity Shares taken by each Subscriber	Signature(s)	Signature, Name, Address, Description and Occupation, if any, of the witness
1.	ICICI Bank Limited ICICI Bank Towers, Bandra Kurla Complex, Bandra (East) Mumbai 400 051. <i>Represented by its Senior General Manager Mr. Puranam Hayagreeva Ravikumar S/o. Late Mr. Puranam Venkata Subrahmanyam</i> Occupation : Commercial Banking	21985 (Twenty one thousand nine hundred eighty five)	ICICI Bank Ltd. Sd./- Authorised Signatory	Witness to all subscribers Sd./-
2.	Life Insurance Corporation of India Central Office Yogakshema, Jeevan Bima Marg, P.B. No. 19953 Mumbai 400 021. <i>Represented by its Chief – Investments, Mr. Vasudeo Rajaram Galkar, S/o. Mr. Rajaram Narayan Galkar</i> Occupation : Life Insurance	5000 (Five thousand)	For Life Insurance Corporation of India Sd./- Authorised Signatory	Bharat Ramakant Upadhyay 313, Shri Saidham Co-op. Hsg. Society, 90 Feet Raod, Ghatkopar (East), Mumbai – 400 077. Occupation : Practising Company Secretary
3.	National Bank for Agriculture and Rural Development Plot No. C-24, G Block, Bandra Kurla Complex, Bandra (East) Mumbai 400 051. <i>Represented by its Chairman, Mr. Yogesh Chand Nanda S/o. Mr. Tek Chand Nanda</i> Occupation : Financing of Agriculture & Rural Development	1000 (One thousand)	For National Bank for Agriculture and Rural Development Sd./- Chairman	
4.	National Stock Exchange of India Limited Exchange Plaza, Plot C-1, Block G, Bandra Kurla Complex, Bandra (East), Mumbai 400 051. <i>Represented by its Sr. Vice President & Company Secretary, Mr. J. Ravichandran S/o. Mr. S. Jagannathan</i> Occupation : Stock Exchange	21985 (Twenty one thousand nine hundred eighty five)	For National Stock Exchange of India Limited Sd./- J. Ravichandran Company Secretary & Sr. Vice President	
5.	Narendra Kumar Gupta S/o. Mr. Bihari Dass, R/O A-204, Mercury, Vasanth Galaxy, Bangur Nagar, Goregaon (West), Mumbai 400 090. Occupation : Service	10 (Ten)	Sd./-	
6.	Mr. J. Ravichandran S/o. Mr. S. Jagannathan 703, NEAT House, Road No. 86, Dadar (West), Mumbai 400 028. Occupation : Service	10 (Ten)	Sd./-	

7.	Bhashyam S S/o. Mr. K. Seshan B-403, Riviera Building, Opp. Sai Gardens, Akurli Road, Lokhandwala Township, Kandivili (East) Mumbai 400 101. Occupation : Service Total	10 (Ten) 50000 (Fifty Thousand)	Sd./-	
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Date : April 17, 2003
Place : Mumbai

THE COMPANIES ACT, 1956
(A COMPANY LIMITED BY SHARES)
ARTICLES OF ASSOCIATION
OF
NATIONAL COMMODITY & DERIVATIVES EXCHANGE LIMITED

TABLE 'A' EXCLUDED

Table A not to apply

1. The regulations contained in Table "A" in the First Schedule to the Companies Act, 1956 shall not apply to the Company except in so far as the same are repeated or expressly made applicable, in these Articles or by The Act.

Company to be governed by these Articles

2. The regulations for the management of the Company and for the observance by the Members thereof and their representatives, shall subject to any exercise of the statutory powers of the Company with reference to the repeal or alteration of, or addition to its regulations by special resolution, or as prescribed by the Companies Act, 1956, be such as are contained in these Articles. No provision of the Articles of Association shall operate in contravention of any provisions of Securities Contracts (Regulation) Act, 1956, Securities Contracts Regulation Rules, 1957, Securities and Exchange Board of India Act, 1992 or any Rules or Regulations and Circulars etc, issued by SEBI from time to time.

INTERPRETATION

3. (1) In these Articles and the Memorandum of Association, the following words and expressions shall have the following meaning unless excluded by the subject or the context,
 - (a) "The Act" or "the said Act" means The Companies Act, 1956 and includes every statutory modification, replacement or re-enactment thereof, for the time being in force.
 - (aa) "banking company" shall have the same meaning as assigned to it in clause (c) of section 5 of the Banking Regulation Act, 1949 (10 of 1949).
 - (b) "Bye-laws", "Rules" and "Regulations" means the Byelaws, Rules and Regulations of the Exchange for the time being in force.

Explanation: "Rules" shall include Memorandum and Articles of Association of the Company.

- (c) "Board", "Board of Directors" or "the Directors" means the Board of Directors of the Company or the Directors of the Company collectively.
- (d) "Clearing Member" means a person having clearing and settlement rights in any recognized clearing corporation and shall include any person having clearing and settlement rights on the Exchange.

Provided that such a clearing member of the Exchange shall be required to become a member of recognized clearing corporation from such date as may be specified by the SEBI.

- (e) "Clearing House" is one which acts as the common agent of the members of the Clearing House for clearing contracts between members and for delivering commodities to and receiving commodities from members in connection with any of the contracts and to do all the things necessary or proper for carrying out the foregoing purposes. The functions of the Clearing House may be performed by the Exchange or any other agency identified by the Exchange for this purpose.
- (f) "Goods" mean the meaning assigned to it in section 2 (bb) of SCRA.
- (g) "The Company" means "National Commodity & Derivatives Exchange Limited".
- (h) "Depositories Act" means the Depositories Act, 1996 and includes every statutory modification, replacement or re-enactment thereof for the time being in force.
- (i) "Depository" means a company formed and registered under the Companies Act, 1956 (1 of 1956) and or Companies Act 2013 which has been granted a certificate of registration under sub-section (1A) of section 12 of the Securities and Exchange Board of India Act, 1992 (15 of 1992).
- (j) "Exchange" means a commodity derivatives exchange that is demutualized, has an electronic trading platform and is permitted to assist, regulate or control the business of buying, selling or dealing in derivatives on all commodities as notified by the Central Government from time to time.
- (k) "Executive Committee" means the Executive Committee(s) constituted and appointed by the Board pursuant to and in the manner prescribed in these Articles to manage day-to-day affairs of the Exchange. A member of the Executive Committee shall be called an "Executive Committee member".
- (l) DELETED.
- (la) "insurance company" shall have the same meaning as assigned to it in sub-section (8) of section 2 of the Insurance Act, 1938 (4 of 1938).
- (lb) "Key Managerial Personnel" means the Chief Executive Officer or the Managing Director or the Manager; the Company Secretary; the Whole- time Director; the Chief Financial Officer; and such other officer as may be prescribed by Central Government.
- (m) "Members of the Company" or "Members" mean the duly registered holders, from time to time, of the shares of the Company and include the subscribers to the Memorandum of Association of the Company and the beneficial owner(s) as defined in clause (a) of sub-section (1) of Section 2 of the Depositories Act, 1996 but does not include a bearer of a share warrant.

(ma) "Securities"—include

- (i) shares, scrips, stocks, bonds, debentures, debenture stock or other marketable securities of a like nature in or of any incorporated company or other body corporate;
- (ia) derivative;
- (ib) units or any other instrument issued by any collective investment scheme to the investors in such schemes;
- (ic) security receipt as defined in clause (zg) of section 2 of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002;
- (id) units or any other such instrument issued to the investors under any mutual fund scheme;

Explanation.—For the removal of doubts, it is hereby declared that "securities" shall not include any unit linked insurance policy or scrips or any such instrument or unit, by whatever name called, which provides a combined benefit risk on the life of the persons and investment by such persons and issued by an insurer referred to in clause (9) of section 2 of the Insurance Act, 1938 (4 of 1938);

(ie) any certificate or instrument (by whatever name called), issued to an investor by any issuer being a special purpose distinct entity which possesses any debt or receivable, including mortgage debt, assigned to such entity, and acknowledging beneficial interest of such investor in such debt or receivable, including mortgage debt, as the case may be;

- (ii) Government securities;
- (iia) such other instruments as may be declared by the Central Government to be securities; and
- (iii) rights or interest in securities;

(n) "Trading Member" means a person having trading rights in the Company and includes a stock broker.

(o) "Month" means a calendar month.

(p) "The Office" means the registered office for the time being of the Company.

(pa) "persons acting in concert" in the context of acquisition or holding of shares or voting rights or control shall mutatis mutandis have the same meaning as assigned to it in clause (q) of sub-regulation (1) of regulation 2 of the Securities and Exchange Board of India (Substantial acquisition of Shares and Takeovers) Regulations, 2011 or any modification thereof.

(pb) "person resident in India" shall have the same meaning as assigned to it in clause (v) of section 2 of the Foreign Exchange Management Act, 1999 (42 of 1999).

(pc) "person resident outside India" shall have the same meaning as assigned to it in clause (w) of section 2 of the Foreign Exchange Management Act, 1999 (42 of 1999).

(pd) "public" includes any member or section of the public but does not include any trading member or clearing member or their associates and agents. Provided that a public sector bank, public financial institution, an insurance company, mutual fund and alternative investment fund in public sector, that has associate(s) as trading members or clearing members, shall be deemed as public.

- (q) "Record" includes the records maintained in the form of books or stored in computer or in such other form as may be determined by regulation made by SEBI in relation to the Depositories Act, 1996.
 - (r) "Register" means the Register of the Members to be kept pursuant to Section 150 of The Act.
 - (s) "Seal" means the Common Seal for the time being of the Company.
 - (sa) "trading-cum-clearing member" means a person who is admitted by the Exchange as a member of the Exchange conferring a right to trade and clear through the clearing house of the Exchange as a clearing member.
 - (sb) "SCRA" means Securities Contracts (Regulation) Act, 1956 and include any statutory modification or re-enactment thereof for the time being in force.
 - (sc) "SECC" means Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2012 and include any statutory modification or re-enactment thereof, Circulars and guidelines issued, for the time being in force.
 - (sd) "Securities and Exchange Board of India/SEBI" means the Securities and Exchange Board of India established under section 3 of the Securities and Exchange Board of India Act, 1992.
 - (t) "Tribunal" means the National Company Law Tribunal constituted under sub-section (1) of Section 10FB of The Act.
 - (u) "Written" or "in writing" means and includes the word printed, lithographed, represented in or reproduced in any mode in a visible form
 - (v) "Year" means "Financial Year of the Company".
- (2) Words importing persons shall include companies, corporations, firms, joint families or joint bodies, association of persons, societies, trusts, public financial institutions, subsidiaries of any of the public financial institutions or banks or companies.
- (3) Words importing the masculine gender shall include the feminine gender and vice versa and neutral gender in the case of companies, corporations, firms, etc.
- (4) Words importing the singular shall include the plural and vice versa.
- (5) Words and expressions used and not defined in these Articles but defined in the Companies Act, 2013, the Securities and Exchange Board of India, 1992, Securities Contracts (Regulation) Act, 1956, the Depositories Act, 1996 or any rules or regulations made thereunder shall have the same meaning respectively assigned to them in those Acts, rules and regulations made thereunder or any statutory modification or re-enactment thereto, as the case may be.
- (6) Head / Marginal notes shall not affect the construction hereof.

NET WORTH REQUIREMENTS

3A. (1) The Exchange shall have a minimum networth of one hundred crore rupees at all times.

Explanation: For the purpose of this Article, 'networth of the Exchange' means the aggregate value of paid up equity share capital plus free reserves (excluding statutory funds, benefit funds and reserves created out of revaluation) reduced by the investments in business, whether related or

unrelated, aggregate value of accumulated losses and deferred expenditure not written off, including miscellaneous expenses not written off.

(2) The Exchange shall not distribute profits in any manner to its shareholders until the networth specified above is achieved.

(3) The Exchange shall submit an audited net worth certificate from the statutory auditor on a yearly basis by the thirtieth day of September of every year for the preceding financial year or as permitted/directed by the SEBI.

SHARE CAPITAL

Authorised Share Capital

4. (1) (a) The Authorised Share Capital of the Company, from time to time, would be as per clause V (a) of the Memorandum of Association of the Company.

Power to Increase or reduce capital

(b) The Company has power from time to time to increase or reduce its capital and to divide the shares in the capital for the time being into several classes and to attach thereto respectively such preferential, cumulative, convertible, guarantee, deferred, qualified or other special rights, privileges, conditions or restrictions, as may be determined by or in accordance with these presents and to vary, modify or abrogate any such right, privileges or conditions or restrictions in such manner as may of for the time being be permitted by these presents or the legislative provisions for the time being in force in that behalf.

(2) The minimum paid up capital of the Company shall be Rs 5,00,000/-(Rupees Five Lakhs only)

Register of Members and Debenture-holders, etc.

5. The Company shall cause to be kept a Register of Members, an Index of Members, a Register of Debenture-holders and an Index of Debenture-holders in accordance with Sections 150, 151 and 152 of The Act.

Foreign Register of Members or Debenture-holders

6. The Company may exercise the powers conferred on it by Section 157 of The Act with regard to the keeping of the Foreign Register and the Board may, subject to the provisions of Section 158 of The Act, make and vary such regulations as it may think fit in respect of the keeping of any such register.

Inspection of Register of Members and Debenture-holders, etc.

7. The Register of Members, the Index of Members, the Register and Index of Debenture-holders, copies of all Annual Returns prepared under Section 159 of The Act, together with the copies of certificates and documents required to be annexed thereto under Section 161 of The Act shall, except when the Register of Members or Debenture-holders is closed under the provisions of The Act or these Articles, be open during business hours (subject to such reasonable restriction as the Company may impose) to inspection of any Member or Debenture-holder without fee and to inspection of any other person on payment of such sum as may be prescribed by The Act for each inspection. Any such Member or person may take extracts therefrom on payment of such sum as may be prescribed by The Act for each inspection.

The Company to send extract of Register, Index, etc.

8. The Company shall send to any Member, Debenture-holder or other person on request, a copy of the Register of Members, the Index of Members, the Register and Index of Debenture-holders or any part thereof required to be kept under The Act, on payment of such sum as may be prescribed by The Act. The copy shall be sent within a period of ten days, exclusive of non-working days, commencing on the day next after the day on which the requisition is received by the Company.

Restriction on allotment

9. The Directors shall observe the restriction as to allotment contained in Sections 69, 70, and 73 of The Act and shall cause to be made the Returns as to allotment provided for in Section 75 of The Act.

Shares at the disposal of the Directors

10. Subject to the provisions of The Act and these Articles, the shares in the Capital of the Company for the time being (including any shares forming part of any increased capital of the Company) shall be under the control of the Directors who may allot or otherwise dispose of the same or any of them to such persons in such proportions and on such terms and conditions and either at a premium or at par or at a discount (subject to compliance with the provisions of Section 79 of The Act) and at such times as they may from time to time think fit and proper; provided that option or right to call shares shall not be given to any person except with the sanction of the Company in General Meeting.

Directors may allot shares as fully paid-up or partly paid-up

11. Subject to the provisions of The Act and these Articles, the Directors may allot and issue shares in the capital of the Company as payment or part payment for any property sold or goods transferred or machinery supplied or for services rendered to the Company and any shares which may be so allotted may be issued as fully paid-up or partly paid-up and if so issued shall be deemed to be fully paid-up shares or partly paid-up shares.

Acceptance of Shares

12. Any application signed by or on behalf of an applicant for shares in the Company, followed by an allotment of any shares therein, shall be an acceptance of shares within the meaning of these Articles; and any person who thus or otherwise accepts any shares and whose name is in the Register shall for the purpose of these Articles be a Member.

Company not bound to recognise any interest in shares other than that of the registered holders

13. Save as herein otherwise provided, the Company shall be entitled to treat the person whose name appears in the Register of Members as the holder of any shares as the absolute owner thereof and accordingly shall not (except as ordered by a Court of competent jurisdiction or as by law required) be bound to recognise any benami, trust or equity or equitable, contingent or other claim to or interest in such share on the part of any other person whether or not it shall have express or implied notice thereof.

Company's funds may not be applied in purchase of or lent on shares of the Company

14. Except to the extent permitted by Sections 77 and 77A of The Act, no part of the funds of the Company shall be employed in the purchase of or lent on the security of the shares of the Company.

Liability of Members

15. Every Member or his heirs, executors or administrators shall pay to the Company the portion of the capital represented by his share or shares, which may for the time being remain unpaid thereon, in such amounts at such time or times and in such manner as the Board shall, from time to time, require or fix payment thereof.

Trusts not recognised

16. Except as ordered by a Court of Competent Jurisdiction or as provided by The Act, no notice of any trust, expressed or implied or constructive, shall be entered on the Register of Members or of Debenture-holders of the Company.

MODIFICATION OF CLASS RIGHTS

Power to modify rights of different classes of shareholders and the rights of dissentient shareholders

17. (1) If at any time the share capital of the Company is divided into different classes of shares, the rights and privileges attached to the shares of any class may, subject to provisions of The Act, and whether or not the Company is being wound up, be varied, modified, commuted, affected or abrogated with the consent in writing of the holders of not less than three-fourths of the issued shares of that class or with the sanction of a special resolution passed at a separate meeting of the holders of the issued shares of that class.

(2) This Article is not to derogate from any power the Company would have had if this Article were omitted and the right of dissentient shareholders being holders of not less in the aggregate, than 10 per cent of the issued shares of that class, being persons who did not consent to or vote in favour of the Resolution for the variation, to apply to the Tribunal to have the variations or modifications cancelled as provided in Section 107 of The Act.

UNDERWRITING COMMISSION

Commission for placing shares

18. (1) Subject to the provisions of Section 76 of The Act, the Company may at any time pay a commission to any person for subscribing or agreeing to subscribe (whether absolutely or conditionally) for any shares, debentures or debenture stock or any other security of the Company or for procuring or agreeing to procure subscriptions (whether absolute or conditional) for any shares, debentures or debenture stock or any other security of the Company. If the commission in respect of shares shall be paid or payable out of capital, the statutory conditions and requirements shall be observed and complied with. The amount or rate of commission shall not exceed the rates prescribed by The Act. The Commission may be paid or satisfied in cash or in shares, debentures or debenture stock of the Company.

Brokerage

(2) The Company may also, on issue of such shares pay such brokerage as may be permissible under The Act.

CERTIFICATES

Certificates how to be issued

19. The certificate of title to shares shall be issued under the Seal of the Company and shall bear the signature of two Directors or persons acting on behalf of the Directors under a duly constituted Power of Attorney or some other persons appointed by the Board for the purpose. The certificate of such shares shall, subject to provisions of Section 113 of The Act, be delivered in accordance with the procedure laid down in Section 53 of The Act within three months after the allotment or within two months after the application for the registration of the transfer of such share as the case may be unless the conditions of issue of the shares otherwise provide; provided always that notwithstanding anything contained in these Articles, the certificate of title to shares may be executed and issued in accordance with such other provisions of The Act or rules made thereunder, as may be in force for the time being and from time to time.

Member's right to Certificates

20. (1) Every Member shall be entitled without payment to one certificate for all the shares of each class or denomination registered in his name or, if the Directors so approve (upon paying such fee or fees or at the discretion of the Directors without payment of fees as the Directors may from time to time determine) to several certificates each for one or more shares of each class. Every certificate of shares shall specify the number of shares in respect of which it is issued and the amount paid thereon and shall be in such form as the Directors shall prescribe or approve. Where a Member has transferred a part of the shares comprised in his holding he shall be entitled to a certificate for the balance without charge.

(2) Notwithstanding anything contained hereinabove, the Board may, in its absolute discretion, refuse applications for sub-division or consolidation of share certificates, debenture or bond certificates, into denomination of less than marketable lot except when such sub-division or consolidation is required to be made to comply with a statutory provision or on order of a competent court of law.

As to issue of new certificate in place of one defaced, lost or destroyed.

21. (1) A certificate may be renewed or a duplicate of a certificate may be issued if such certificate (a) is proved to have been lost or destroyed, or (b) having been defaced or mutilated or torn, is surrendered to the Company or (c) has no further space on the back thereof for endorsement of transfer.

(2) The manner of issue or renewal of a certificate or issue of a duplicate thereof, the form of a certificate (original or renewed) or of a duplicate thereof, the particulars to be entered in the Register of Members or in the Register of renewed or duplicate certificates, the form of such Registers, the fee on payment of which, the terms and conditions on which a certificate may be renewed or a duplicate thereof may be issued, shall be such as prescribed by the Companies (Issue of Share Certificates) Rules, 1960 or any other rules in substitution or modification thereof.

CALLS

Calls

22. The Directors may, from time to time, make such calls as they think fit upon the Members in respect of all monies unpaid on the shares held by them respectively and not by the conditions of allotment thereof made payable at fixed times, and each Member shall pay the amount of every call so made on him to the person and at the times and places appointed by the Directors. A call may be made payable by instalments.

Calls on shares of the same class to be on uniform basis

23. Where any calls for further share capital are made on shares, such calls shall be made on a uniform basis on all shares falling under the same class. For the purpose of this Article, shares of the same nominal value on which different amounts have been paid-up shall not be deemed to fall under the same class.

Call to date from resolution

24. A call shall be deemed to have been made at the time when the resolution of the Directors authorising such call was passed and may be made payable by Members on the Register of Members on such date or at the discretion of the Directors on such subsequent date as shall be fixed by the Directors.

Notice of call

25. Not less than fourteen days notice of every call shall be given specifying the time of payment provided that before the time for payment of such call the Directors may, by notice in writing to the Members, revoke the same.

Board may extend time

26. The Directors may from time to time, at their discretion, extend the time fixed for the payment of any call and may extend such time as to all or any of the Members whom the Directors may deem entitled to such extension but no Member shall be entitled to any such extension save as a matter of grace and favour.

Liability of Joint-holders

27. The joint-holders of a share shall be jointly and severally liable to pay all calls in respect thereof.

Amount payable at fixed time or by installments as call

28. If by the terms of issue of any share or otherwise any amount is made payable at any fixed time or by installments at fixed times, whether on account of the amount of the share or by way of premium, every such amount or installment shall be payable as if it were a call duly made by the Directors and of which due notice has been given and all the provisions herein contained in respect of calls shall relate to such amount or installment accordingly.

Deposit and calls, etc. to be a debt payable immediately

29. The money, if any, which the Board shall, on allotment of any shares being made by them, require or direct to be paid by way of deposit, call or otherwise, in respect of any shares allotted by them, shall immediately on insertion of the name of allottee in the Register of Members as the name of the holder of such shares, become a debt due to and recoverable by the Company from the allottee thereof, and shall be paid by him accordingly.

When interest on call or installment payable

30. If the sum payable in respect of any call or installment be not paid on or before the day appointed for payment thereof the holders for the time being or allottee of the share in respect of which a call shall have been made or the installment shall be due shall pay interest on the same at such rate as the Directors may fix from time to time from the day appointed for the payment thereof to the time of actual payment, but the Directors may waive payment of such interest wholly or in part.

Payment in anticipation of calls may carry interest

31. The Directors may, if they think fit, receive from any Member willing to advance the same, all or any part of the moneys due upon the shares held by him beyond the sums actually called for, and upon the moneys so paid in advance or so much thereof as from time to time exceeds the amount of the calls then made upon the shares in respect of which such advance has been made, the Company may pay interest at such rate as the Member paying such sum in advance and the Directors agree upon and the Directors may at any time repay the amount so advanced upon giving to such Member one month's notice in writing; provided the Member shall not be entitled to any voting rights in respect of the monies so paid by him until the same would, but for such payment, become presently payable.

Evidence in action by Company against shareholders

32. On the trial or hearing of any action or suit brought by the Company against any Member or his legal representatives for recovery of any moneys claimed to be due to the Company in respect of his shares, it shall be sufficient to prove that the name of the Member, in respect of whose shares the moneys are sought to be recovered, is entered in the Register of Members as a Member/as one of the Members at or any subsequent date on which the moneys sought to be recovered are alleged to have become due on the shares, and the resolution making the call is duly recorded in the Minutes Book, and the notice of such call was duly given to the member, holder or joint holder or his legal representatives issued in pursuance of these Articles. It shall not be necessary to prove the appointment of Directors who made such call, nor that the quorum of Directors was present at the Board at which any such call was made had been duly convened or constituted, nor any other matter whatsoever but the proof of the matters aforesaid shall be conclusive evidence of the debt.

FORFEITURE, SURRENDER AND LIEN

Members not entitled to privileges of membership until all calls are paid

33. No Member shall be entitled to receive any dividend or exercise any privilege as a Member until he shall have paid all calls for the time being due and payable on every share held by him, whether alone or jointly with any person, together with interest and expenses, if any.

If call or installment not paid, notice must be given

34. If any Member fails to pay the whole or any part of any call or installment or any money due in respect of any shares either by way of principal or interest on or before the day appointed for the payment of same, the directors may at any time thereafter during such time as the call or installment or any part thereof or other monies remain unpaid or a judgement or decree in respect

thereof remains unsatisfied in whole or in part serve a notice on such Member or on the person, if any, entitled to the share by transmission requiring him to pay such call or installment or such part thereof or other moneys as remain unpaid together with any interest that may have accrued and all expenses (legal or otherwise) that may have been paid or incurred by the Company by reason of such non-payment.

Form of Notice

35. The notice shall name a day not being less than fourteen days from the date of the notice and the place or places on and at which such call or installment or such part or other moneys as aforesaid and such interest and expenses as aforesaid are to be paid. The notice shall also state that in the event of non-payment on or before the time and at the place appointed the share in respect of which the call was made or installment is payable will be liable to be forfeited.

In default of payment shares to be forfeited

36. If the requisitions of any such notice as aforesaid are not complied with, any of the shares in respect of which such notice has been given may at any time thereafter before payment of all calls or installments, interest and expenses or the money due in respect thereof, be forfeited by resolution of the Directors to that effect. Such forfeiture shall, subject to the provisions of The Act, include all dividends and/or bonus declared or any other monies payable in respect of the forfeited shares and not actually paid before the forfeiture.

Application of forfeiture provisions

37. The provisions of the Articles as to the forfeiture shall apply in the case of non-payment of any sum which by terms of issue of share(s) become payable at a fixed time, as if the same had been payable by virtue of a call duly made or notified.

Entry of forfeiture in Register of Members

38. When any share shall have been forfeited, an entry of the forfeiture with the date thereof shall be made in the Register of Members.

Forfeited shares to be property of the Company and may be sold, etc.

39. Any share so forfeited shall be deemed to be the property of the Company and may be sold, reallocated or otherwise disposed of either to the original holder thereof or to any other person upon such terms and in such manner as the Directors shall think fit.

Power to annul forfeiture

40. The Directors may at any time before any share so forfeited shall have been sold, reallocated or otherwise disposed of, annul the forfeiture thereof upon such conditions, as they think fit.

Shareholders still liable to pay money together with interest owing at the time of forfeiture

41. (1) Any Member whose shares have been forfeited shall cease to be a Member in respect of the forfeited shares but shall, notwithstanding the forfeiture, be liable to pay and shall forthwith pay to the Company all calls, instalments, interests, expenses and other monies owing upon or in respect of such shares at the time of the forfeiture together with interest thereon from the time of the forfeiture until payment, at such rates as may be prescribed by the Directors and the Directors may enforce the payment of the whole or a portion thereof if they think fit but shall not be under any obligation to do so.

(2) The liability of such member shall cease if and when the Company shall have received payment in full of all such moneys in respect of the shares.

Surrender of share(s)

42. The Directors may subject to the provisions of The Act accept surrender of any share(s) from or for any member desirous of surrendering on such terms as they think fit.

Company's lien on shares

43. The Company shall have no lien on its fully paid shares. In the case of partly paid up shares, the Company shall have a first and paramount lien only for all monies called or payable at

a fixed time in respect of such shares. Any such lien shall extend to all dividends from time to time declared in respect of such shares subject to Section 205 of The Act.

Enforcing lien by sale

44. For the purpose of enforcing such lien, the Company may sell the shares subject thereto in such manner as it thinks fit, but no sale shall be made unless a sum in respect of which the lien exists is presently payable or until the expiration of fourteen days after a notice in writing stating and demanding payment of such part of the amount, in respect of which the lien exists is presently payable, has been given to the Member or the person entitled thereto by reason of his death or insolvency.

Application of proceeds of sale

45. The net proceeds of any such sale after payment of the costs of such sale shall be applied in or towards the satisfaction of the debt or liability in respect whereof the lien exists so far as the same is presently payable and the residue, if any, paid to the Member or the person, if any, entitled to the transmission of the shares so sold.

Certificate of forfeiture

46. A certificate in writing under the hands of any Director, Manager or the Secretary of the Company that the call in respect of a share was made and that the forfeiture of the share was made by a resolution of the Directors to that effect shall be conclusive evidence of the fact stated therein as against all persons entitled to such shares.

Title of purchaser and allottee of forfeited shares

47. The Company may receive the consideration, if any, given for the share on any sale, allotment or other disposition thereof and the person to whom such share is sold, allotted or disposed of may be registered as the holder of the share and such person shall not be bound to see to the application of the consideration, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale, allotment or other disposal of the share and the remedy of any person aggrieved by the sale shall be in damages only and against the Company exclusively.

Partial payment not to preclude forfeiture

48. Neither a judgement nor a decree in favour of the Company for calls or other monies due in respect of any shares nor any part payment or satisfaction thereunder nor the receipt by the Company of a portion of any money which shall from time to time be due from any Member in respect of any shares either by way of principal or interest nor any indulgence granted by the Company in respect of payment of any money shall preclude the forfeiture of such shares as herein provided.

ELIGIBILITY FOR ACQUIRING OR HOLDING SHARES

48A. (1) Notwithstanding anything contained in these Articles, no person shall, directly or indirectly, acquire or hold any equity shares of Exchange unless he is a fit and proper person, as per criteria prescribed by SEBI.

(2) Any person who, directly or indirectly, either individually or together with persons acting in concert, acquiring equity shares of the Exchange such that his shareholding in the Exchange exceeds two per cent of the paid up equity share capital of Exchange, shall seek approval of SEBI within fifteen days of the acquisition.

(3) Any person eligible to acquire or hold more than five per cent of the paid up equity share capital under sub-Article (2) above (shareholding in Exchange), may acquire or hold more than five percent of the paid up equity share capital of Exchange, only if, he has obtained prior approval of SEBI.

(4) **DELETED.**

(5) If approval under sub-Article (2) above is not granted by SEBI to any person, such person shall forthwith divest his excess shareholding, if any.

(6) Any person holding more than two per cent of the paid up equity share capital in Exchange shall file a declaration with the Exchange within fifteen days from the end of every financial year that he complies with the fit and proper criteria prescribed by SEBI.

(7) In the event of any person ceasing to be a 'fit and proper person' or being declared so, by SEBI, such person shall forthwith divest his shareholding in the Exchange. Further, pending divestment of shares, the voting rights of such person in the Exchange shall stand extinguished and any corporate benefit in lieu of such holding shall be kept in abeyance /withheld by Exchange. The Exchange shall take necessary steps, as it may deem fit, so as to ensure that the shareholding of such person is divested forthwith.

For the purposes of these Articles, a person shall be deemed to be a fit and proper person, as per directives of SEBI, as amended from time to time and which, at present, are as follows –

(a) such person has a general reputation and record of fairness and integrity, including but not limited to –

- (i) financial integrity;
- (ii) good reputation and character; and
- (iii) honesty;

(b) such person has not incurred any of the following disqualifications —

(i) the person or any of its whole time directors or managing partners has been convicted by a Court for any offence involving moral turpitude or any economic offence, or any offence against the securities laws;

(ii) an order for winding up has been passed against the person;

(iii) the person or any of its whole time directors or managing partners has been declared insolvent and has not been discharged;

(iv) an order, restraining, prohibiting or debarring the person, or any of its wholetime directors or managing partners from dealing in commodity derivatives or securities or from accessing the commodity derivative or securities market, has been passed by SEBI or any other regulatory authority, and a period of three years from the date of the expiry of the period specified in the order has not elapsed;

(v) any other order against the person, or any of its whole time directors or managing partners, which has a bearing on the securities market, has been passed by SEBI or any other regulatory authority and a period of three years from the date of the order has not elapsed;

(vi) the person has been found to be of unsound mind by a Court of competent jurisdiction and the finding is in force; and

(vii) the person is financially not sound.

The question arising as to whether a person is a fit and proper person, the decision of SEBI in this behalf shall be final

SHAREHOLDING

48B (1) At least fifty one percent of the share capital of Exchange shall be held by public.

(2) No person resident in India shall at any time, directly or indirectly, either individually or together with persons acting in concert, acquire or hold more than five per cent. of the paid up equity share capital in a recognised stock exchange:

Provided that,—

- (i) a stock exchange;
- (ii) a depository;
- (iii) a banking company;
- (iv) an insurance company; and
- (v) a public financial institution,

may acquire or hold, either directly or indirectly, either individually or together with persons acting in concert, upto fifteen per cent. of the paid up equity share capital of a Exchange.

(3) No person resident outside India, directly or indirectly, either individually or together with persons acting in concert, shall acquire or hold more than five percent of the paid up equity share capital.

(4) Subject to the limits as otherwise prescribed by the Central Government from time to time, the combined holding of all persons resident outside India in the paid up equity share capital of the Exchange shall not exceed, at any time, forty-nine per cent. of its total paid up equity share capital:

Provided that no foreign portfolio investor shall acquire shares of the Exchange otherwise than through the secondary market.

Explanation.—The acquisition of shares in the Exchange through secondary market shall be construed as follows:—

- I. If the Exchange is not listed, a foreign portfolio investor may acquire its shares through transactions outside of a recognised stock exchange provided it is not an initial allotment of shares;
- II. If the Exchange is listed, the transactions by a foreign portfolio investor shall be done through the recognised stock exchange where such shares are listed.

(5) No clearing corporation shall hold any right, stake or interest of whatsoever nature, in the Exchange.

(6) The Exchange shall monitor and at all times ensure compliance with the requirements and guidelines in this regard, issued by SEBI.

(7) (i) The shareholding or voting rights of any person in the Exchange shall not exceed the limits specified in these Articles.

(ii) Further, the shareholding as specified in these Articles shall include any instrument owned or controlled, directly or indirectly, that provides for entitlement to equity or rights over equity at any future date.

Provided that any equity or rights over equity, arising from such instruments in excess of limit of shareholding specified in these Articles, shall be reduced to the specified limit within a period of five years commencing from May 6, 2014.

(8) Without prejudice to the provisions of the SCRA, rules and SECC regulations, the Exchange shall disclose to SEBI, in the format specified by the SEBI, shareholding pattern on a quarterly basis within fifteen days from the end of each quarter, including therein the following:—

- (a) the names of the ten largest shareholders along with the number and percentage of shares held by them;
- (b) the names of the shareholders falling under regulations 17 and 18 of SECC Regulations who had acquired shares in that quarter.

The Exchange shall monitor and ensure compliance with the foregoing requirements at all times.

(9) In addition to the requirements under other laws in force, the Exchange shall maintain and preserve all the books, registers, other documents and records relating to the issue or transfer of its securities for a period of not less than ten years.

TRANSFER AND TRANSMISSION OF SHARES

Transfer not to be registered except on production of instrument of transfer

49. The Company shall not register a transfer of shares in, or debentures of, the Company, unless in accordance with the provisions of Section 108 of The Act, a proper instrument of transfer duly stamped and executed by or on behalf of the transferor and/or on behalf of the transferee and specifying the name, address and occupation, if any, of the transferee has been delivered to the Company along with the certificate relating to the shares or debentures, or if no such certificate is in existence, along with the letter of allotment of the shares or debentures; provided that where, on an application in writing made to the Company by the transferee and bearing the stamp required for an instrument of transfer, it is proved to the satisfaction of the Board of Directors that the instrument of transfer signed by or on behalf of the transferor and by or on behalf of the transferee has been lost, the Company may register the transfer on such terms as to indemnity as the Board may think fit; provided further that nothing in this Article shall prejudice any power of the Company to register as shareholder or debenture holder any person to whom the right to any shares in, or debentures of, the Company has been transmitted by operation of law.

Form of transfer

50. The instrument of transfer of any shares shall be in writing in the prescribed form and in accordance with Section 108 of The Act.

Transfer by legal representative

51. A transfer of shares or other interest in the Company of a deceased Member thereof made by legal representative shall, although the legal representative is not himself a Member, be as valid as if he had been a Member at the time of the execution of the instrument of transfer.

Application for registration of transfer

52. (1) An application for the registration of a transfer of any share or shares may be made either by the transferor or by the transferee.

(2) Where the application is made by the transferor and relates to partly paid up shares, the transfer shall not be registered, unless the Company gives notice of the application to the transferee and the transferee gives no objection to the transfer within two weeks from the receipt of the notice.

(3) For the purpose of sub-article (2), notice to the transferee shall not be deemed to have been duly given unless it is despatched by prepaid registered post to the transferee at the address given in the instrument of transfer, and if so despatched shall be deemed to have been duly delivered at the time at which it would have been delivered in the ordinary course of post

Company's power to refuse transfer

53. Nothing in these Articles shall prejudice the powers of the Company to refuse to register the transfer of any shares.

Transferor liable until the transferee's name entered in Register

54. The transferor shall be deemed to remain the holder of any shares until the name of the transferee is entered into the Register of Members in respect thereof.

Register of Transfers to be kept

55. The Company shall keep a book to be called the "Register of Transfers" and therein shall be fairly and distinctly entered particulars of every transfer or transmission of any share.

Rectification of register on transfer

56. Subject to the provisions of Section 111A of The Act, the shares or debentures or any interest therein of the Company shall be freely transferable; provided that if the Company without sufficient causes refuses to register transfer of shares within two months from the date on which the instrument of transfer or the intimation of transfer, as the case may be, is delivered to the Company, the transferee may appeal to the Tribunal in the manner provided under the above section.

No transfer to minor, etc.

57. No transfer shall be made to a person who is a minor or of unsound mind. However, subject to the provisions of The Act, the Directors may at their absolute discretion, approve a minor becoming a Member of the Company on such terms as the Directors may stipulate.

Custody of transfer instruments

58. The instrument of transfer shall, after registration, be retained by the Company and shall remain in its custody. All the instruments of transfer which the Directors may decline to register shall on demand be returned to the persons depositing the same. The Directors may cause to be destroyed all transfer deeds lying with the Company after such period as they may determine.

Closure of transfer books

59. The Directors shall have power, on giving not less than seven days' previous notice by advertisement as required by Section 154 of The Act, to close the Register of Members or the Debenture-holders of the Company for such period or periods of time not exceeding in the whole forty-five days in each year but not exceeding thirty days at a time as they may deem fit.

Title to shares of deceased holder

60. The executors or administrators of a deceased Member or holder of a succession certificate or other legal representation in respect of shares of a deceased Member where he was a sole or only surviving holder shall be the only person whom the Company may recognise as having any title to the shares registered in the name of such Members and the Company shall not be bound to recognise such executors or administrators unless they have first obtained Probate or Letters of Administration or such holder is the holder of a Succession Certificate or other legal representation as the case may be from a Court of competent jurisdiction in India; provided that, in any case where the Directors in their absolute discretion think fit, the Directors may dispense with production of Probate or Letters of Administration or succession certificate upon such terms as to indemnity or otherwise as the Directors in their absolute discretion think necessary and register the name of any person who claims to be absolutely entitled to the share(s) standing in the name of a deceased Member as a Member.

Registration of persons entitled to shares other than by transfer

61. Any person becoming entitled to any shares in consequence of the death, lunacy, bankruptcy or insolvency of any Member or by any lawful means, other than by a transfer in accordance with these Articles, may, with the consent of the Directors (which they shall not be under any obligation to give) upon producing such evidence that he sustains the character in respect of which he proposes to act under this Article or of his title, as the Directors shall require either be registered as a Member in respect of such shares or may, subject to the regulations as to transfer in these Articles contained, transfer such shares to some other persons. This Article is in these Articles referred to as the "the Transmission Clause".

Refusal to register nominee

62. The Directors shall have the same right to refuse to register a person entitled by transmission to any shares or his nominee as if he were the transferee named in an ordinary transfer for registration.

Board may require evidence of transmission

63. Every transmission of a share shall be verified in such manner as the Directors may require and the Company may refuse to register any transmission until the same be so verified or until or unless an indemnity be given to the Company with regard to such registration which the Directors at their discretion shall consider sufficient, provided nevertheless that there shall not be any obligation on the Company or the Directors to accept any indemnity.

Fee on transfer or transmission

64. No fee shall be payable to the Company in respect of transfer or transmission of any shares in the Company.

Nomination of shares

65. (1) Every holder of shares in, or holder of debentures of, the Company may, at any time, nominate, in the prescribed manner, a person to whom his shares in, or debentures of, the Company shall vest in the event of his death.

(2) Where the shares in, or debentures of, the Company are held by more than one person jointly, the joint holders may together nominate, in the prescribed manner, a person to whom all the rights in the shares or debentures of the Company shall vest in the event of death of all the joint holders.

(3) Notwithstanding any contained in any other law for the time being in force or in any disposition, whether testamentary or otherwise, in respect of such shares in, or debentures of, the Company, where a nomination made in the prescribed manner purports to confer and on any person the right to vest the shares in, or debentures of, the Company, the nominee shall, on the death of the shareholder or holder of debentures of, the Company or, as the case may be, on the death of the joint holders become entitled to all the rights in the shares or debentures of the Company or, as the case may be, all the joint holders, in relation to such shares in, or debentures of the Company to the exclusion of all other persons, unless the nomination is varied or cancelled in the prescribed manner.

(4) Where the nominee is a minor, it shall be lawful for the holder of shares, or holder of debentures, to make the nomination to appoint, in the prescribed manner, any person to become entitled to shares in, or debentures of, the Company, in the event of his death, during the minority.

Transmission of shares

66. (1) Any person who becomes a nominee by virtue of the provisions of Article 65, upon the production of such evidence as may be required by the Board and subject as hereinafter provided, elect, either (a) to be registered himself as holder of the share or debenture, as the case may be; or (b) to make such transfer of the share or debenture, as the case may be, as the deceased shareholder or debenture holder, as the case may be, could have made.

(2) If the person being a nominee, so becoming entitled, elects to be registered as holder of the share or debenture, himself, as the case may be, he shall deliver or send to the company a notice in writing signed by him stating that he so elects and such notice shall be accompanied with the death certificate of the deceased shareholder or debenture holder, as the case may be.

(3) All the limitations, restrictions and provisions of this Act relating to the right to transfer and the registration of transfers of shares or debentures shall be applicable to any such notice or transfer as aforesaid as if the death of the member had not occurred and the notice or transfer were a transfer signed by that shareholder or debenture holder, as the case may be.

(4) A person, being a nominee, becoming entitled to a share or debenture by reason of the death of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share or debenture except that he shall not, before being registered a member in respect of his share or debenture, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company; provided that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share or debenture, and if the notice is not complied with within ninety

days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the share or debenture, until the requirements of the notice have been complied with.

The Company not liable for disregard of a notice prohibiting registration of transfer

67. The Company shall incur no liability or responsibility whatever in consequence of their registering or giving effect to any transfer of shares made or purporting to be made by the apparent legal owner thereof (as shown or appearing in the Register of Members) to the prejudice of persons having or claiming any equitable right, title or interest to or in the same shares notwithstanding that the Company may have had notice of such equitable right, title or interest or notice prohibiting registration of such transfer, and may have entered such notice or referred thereto in any book of the Company and the Company shall not be bound or required to regard or attend or give effect to any notice which may be given to them of any equitable title or interest or be under liability whatsoever for refusing or neglecting so to do though it may have been entered or referred in some book of the Company but the Company shall nevertheless be at liberty to regard and attend to any such notice and give effect thereto, if the Directors shall so think fit.

Transfer of Debentures

68. The provisions of these Articles shall, mutatis mutandis, apply to the allotment and transfer of or the transmission by law of the right to Debentures of the Company.

Restriction on transfer and pre-emptive rights

69. **DELETED** pursuant to SEBI letter no. CDMRD/DEA/OW/21544/2016 dated August 01, 2016.

DEMATERIALISATION OF SECURITIES

Dematerialisation of securities

70. (1) Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialise its securities and to offer securities in a dematerialised form pursuant to the Depositories Act, 1996.

Options for investors

(2) Every person subscribing to securities offer by the Company shall have the option to receive security certificate or to hold the securities with a depository. Such a person who is the beneficial owner of the securities can at any time opt out of a depository, if permitted by the law in respect of any security in the manner provided by the Depositories Act, and the Company shall, in the manner and within the time prescribed, issue to the beneficial owner the required Certificate of Securities.

Beneficial owners of securities

(3) If a person opts to hold his security with a depository, the Company shall intimate such depository the details of allotment of the security, and receipt of the information, the depository shall enter in its record the name of the allottee as the beneficial owner of the security.

Securities in depositories to be in fungible form

(4) All the securities held by a depository shall be dematerialised and be in fungible form. Nothing contained in Sections 153, 153A, 187B, 187C and 372A of The Act shall apply to a depository in respect of the securities held by it on behalf of the beneficial owners.

Rights of depositories and beneficial owners

(5) (a) Notwithstanding anything to the contrary contained in The Act or these Articles, a depository shall be deemed to be the registered owner for the purpose of effecting transfer of ownership of security on behalf of the beneficial owner.

(b) Save as otherwise provided in (a) above, the depository as the registered owner of the securities shall not have any voting rights or any other rights in respect of the securities held by it.

(c) Every person holding securities of the Company and whose name is entered as the beneficial owner in the records of the depository shall be a member of the Company. The beneficial owner of securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of his securities which are held by a depository.

Service of documents

(6) Notwithstanding anything in The Act or these Articles to the contrary, where securities are held in a depository, the records of the beneficial ownership may be served by such depository on the Company by means of electronic mode or by delivery of floppies or discs.

Transfer of securities

(7) Nothing contained in Section 108 of The Act or these Articles shall apply to transfer of securities effected by a transferor and transferee both of whom are entered as beneficial owners in the records of a depository.

Allotment of securities dealt with in a depository

(8) Notwithstanding anything in The Act or these Articles, where securities are dealt with by a depository, the Company shall intimate the details thereof to the depository immediately on allotment of such securities.

Distinctive numbers of securities held in a depository

(9) Nothing contained in The Act or these Articles regarding the necessity of having distinctive numbers for securities issued by the Company shall apply to securities held with a depository.

Register and index of beneficial owners

(10) The Register and Index of beneficial owners maintained by a depository under the Depositories Act, 1996, shall be deemed to be the Register and Index of Members and Security holders for the purposes of these Articles.

CONVERSION OF SHARES INTO STOCK

Conversion of shares into stock and reconversion

71. The Directors, with the sanction of a resolution of the Company in General Meeting, may convert any paid-up shares into stock and may reconvert any stock into paid-up shares of any denomination. When any shares have been converted into stock, the several holders of such stock may thenceforth transfer their respective interests therein or any part of such interest in the same manner and subject to the same regulations as and subject to which fully paid up shares in the Company's capital may be transferred or as near thereto as circumstances will admit.

Right of stockholders

72. The stock shall confer on the holders thereof respectively the same privileges and advantages as regards participation in profits and voting at meeting(s) of the Company and for other purposes as would have been conferred by shares of equal amount in the capital of the Company of the same class as the shares from which such stock is converted but no such privileges or advantages (except the participation in profits of the Company or in assets of the Company on winding up) shall be conferred by any stock which would not, if existing in shares, have conferred such privileges or advantages.

INCREASE, REDUCTION AND ALTERATION OF CAPITAL

Increase of Capital

73. The Company may, from time to time, in General Meeting increase its share capital by the creation of new shares of such amount as it thinks expedient and the new shares shall, subject to the provisions of The Act and these Articles, be created upon such terms and conditions and with such rights and privileges annexed thereto as the General Meeting creating the same shall direct and if no such directions be given, as the Directors shall determine.

Further issue of capital

74. The new shares (resulting from an increase of capital as aforesaid) may, subject to the provisions of The Act and these Articles, be issued or disposed of by the Company in the General Meeting or by the Directors under their powers in accordance with these Articles and the following provisions: -

(1) (a) Such new shares shall be offered to the persons who at the date of the offer are holders of the equity shares of the Company in proportion as nearly as circumstances admit to the capital paid-up on those shares at the date;

(b) The offer aforesaid shall be made by notice specifying the number of shares offered and limiting a time not being less than fifteen days from the date of the offer, within which the offer, if not accepted, will be deemed to have been declined;

(c) The offer aforesaid shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to him or any of them in favour of any other person and the notice referred to in clause (b) shall contain a statement of this right;

(d) After the expiry of time specified in the notice aforesaid or on receipt of earlier intimation from the person to whom such notice is given that the person declines to accept the shares offered, the Board of Directors may dispose off them in such manner as they think most beneficial to the Company;

(2) Nothing in clause (c) of sub-article (1) shall be deemed:-

(a) to extend the time within which the offer should be accepted; or

(b) to authorise any person to exercise the right of renunciation for a second time on the ground that the person in whose favour the renunciation was first made has declined to take the shares comprised in the renunciation.

Shares under control of General Meeting

75. In addition to and without derogating from the powers for the purpose conferred on the Directors under Article 10, the Company in the General Meeting may in accordance with the provisions of Section 81 of The Act determine that any shares (whether forming part of the original capital of the Company or not) shall be offered to such persons (whether Members or holders of Debentures of the Company or not) in such proportion and on such terms and conditions and either at a premium or at par or at a discount (subject to compliance with the provisions of Section 79 of The Act) as such General Meeting shall determine.

Same as original capital

76. Except so far as otherwise provided by the conditions of issue or by these Articles any capital raised by the creation of new shares shall be considered part of the original capital and shall be subject to the provisions herein contained with reference to the payment of calls and instalments, transfer and transmissions, forfeiture, lien, surrender, voting and otherwise.

Reduction of capital

77. Subject to the provision of Section 100 of The Act, the Company may from time to time, by special resolution, reduce its share capital in any way authorised by law and in particular may pay off any paid up share capital upon the footing that it may be called up again or otherwise and may and if and so far as is necessary alter its Memorandum of Association by reducing the amount of its share capital and of its share accordingly.

Division and sub-division

78. The Company may in the General Meeting by ordinary resolution alter the conditions of its Memorandum of Association so as to :-

(1) Consolidate and divide all or any of its shares into shares of larger amount than its existing shares.

(2) Sub-divide shares or any of them into shares of smaller amount than originally fixed by the Memorandum of Association subject nevertheless to the provisions of The Act in that behalf. Subject to these Articles, the resolution by which any shares are sub-divided may determine that as between the holders of the shares resulting from such sub-division one or more of such shares may be given any preference or advantage or otherwise over the others or any other such shares.

(3) Cancel shares which at the date of such General Meeting have not been taken or agreed to be taken by any person and diminish the amount of the shares so cancelled.

JOINT HOLDERS OF SHARES

Joint holders of share

79. Where two or more persons are registered as the holders of any share, the person first named in the Register shall be deemed the sole holder for matters connected with the Company subject to the following and other provisions contained in the Articles :

(1) The Company shall be entitled to decline to register more than three persons as the joint holders of any share.

(2) The joint holders of any share shall be liable severally as well as jointly for and in respect of all calls and other payments which ought to be made in respect of such share.

(3) On the death of any such joint holders, the survivor(s) shall be the only person(s) recognised by the Company as having any title to the share but the Directors may require such evidence of death as they may deem fit and nothing herein contained shall be taken to release the estate of a deceased joint holder from any liability on shares held by him jointly with any other person(s).

(4) Any one of such joint holders may give effectual receipts for any dividends or other monies payable in respect of such share.

(5) Only the person whose name stands first in Register of Members as one of the joint holders of any share shall be entitled to delivery of the certificate relating to such share or to receive document (which expression shall be deemed to include all documents mentioned in Article 201) from the Company and any notice given to or document served on such person shall be deemed service on all the joint holders.

(6) Any one of two or more joint holders may vote at any meeting either personally or by attorney or by proxy in respect of such shares as if he were solely entitled thereto and if more than one of such joint holders are present at any meeting personally or by proxy or by attorney then that one of such persons so present whose name stands first or higher (as the case may be) in the Register in respect of such shares shall alone be entitled to vote in respect thereof but the other or others of the joint holders shall be entitled to be present at the meeting provided always that the joint holder present at the meeting personally shall be entitled to vote in preference to a joint holder present by attorney or by proxy stands first or higher (as the case may be) in the Register in respect of such shares. Several executors or administrators of a deceased Member in whose (deceased Member's) sole name any share stand, shall for the purpose of this clause be deemed to be joint holders.

BORROWING POWERS

Conditions on which money may be borrowed

80. Subject to the provisions of Sections 58A, 292 and 293 of The Act and the regulations made there under, the Board may, from time to time, by a resolution passed at a meeting of the Board accept deposits or borrow moneys from Members or from public and may raise and secure the payment of such sum or sums in such manner and upon such terms and conditions in all respects as it thinks fit.

Bonds, debentures etc., to be subject to control of Directors

81. Any bonds, debentures, debenture stock or other securities issued or to be issued by the Company shall be under the control of the Directors who may issue them upon such terms and conditions and in such manner and for such consideration as they shall consider being for the benefit of the Company.

Securities may be made assignable free from equities

82. Debenture, debenture stock, bonds or other securities may be made assignable free from any equities between the Company and the person to whom the same may be issued.

Issue at discount, etc. or with special privileges

83. Any bonds, debentures, debenture stocks or other securities may be issued at a discount, premium or otherwise and with any special privileges as to redemption, surrender, drawing, allotment of shares, attending at General Meetings of the Company, appointment of Directors and otherwise.

Mortgage of uncalled capital

84. If any uncalled capital of the Company is included in or charged by any mortgage or other security, the Directors may authorise the person in whose favour such mortgage or security is executed or any other person in trust for him to make calls on the Members in respect of such uncalled capital and the provisions herein before contained in regard to calls shall, mutatis mutandis, apply to calls made under such authority and such authority may be made exercisable either conditionally or unconditionally and either presently or contingently and either to the exclusion of the Board's power or otherwise and shall be assignable, if expressed so to be.

Indemnity may be given

85. If the Directors or any of them or any other person shall become personally liable for the payment of any sum primarily due from the Company, the Directors may execute or cause to be executed any mortgage, charge or security over or affecting the whole or any part of the assets of the Company by way of indemnity to secure the Directors or person so becoming liable as aforesaid from any loss in respect of such liability.

Register of Charges to be kept

86. The Board shall cause a proper Register to be kept in accordance with the provisions of Section 143 of The Act of all mortgages, debentures and charges specifically affecting the property of the Company and shall duly comply with the requirements of the said Act in regard to registration of mortgages and charges and in regard to inspection to be given to creditors or Members of the Register of Charges and copies of instruments creating charges. Such sums as may be prescribed by The Act shall be payable by any person other than a creditor or Member of the Company for each inspection of the Register of Charges.

MEETINGS

Annual General Meeting

87. The Company shall in each year hold, in addition to other meetings, a general meeting which shall be styled as its "Annual General Meeting" in accordance with the provisions of Section 166 of The Act.

Extra-Ordinary General Meetings

88. All general meetings other than Annual General Meeting shall be called Extra-ordinary General Meetings.

Calling of Extraordinary General Meeting

89. (1) The Board may, whenever they think fit, and shall, on the requisition of such number of Members of the Company as is hereinafter specified, forthwith proceed to call an Extra-ordinary General Meeting of the Company.

(2) The requisition shall set out the matters for the consideration of which the meeting is to be called, shall be signed by the requisitionists and shall be deposited at the Registered Office of the Company.

(3) The requisition may consist of several documents in like form, each signed by one or more requisitionists.

(4) The number of Members entitled to requisition a meeting in regard to any matter shall be such number of them as hold at the date of deposit of the requisition, not less than one-tenth of such of the paid-up capital of the Company as at the date carries the right of voting in regard to that matter.

(5) Where two or more distinct matters are specified in the requisition, the provisions of sub-article (4) shall apply separately in regard to each such matter, and the requisition shall accordingly be valid only in respect of those matters in regard to which the condition specified in that sub-article is fulfilled.

(6) If the Board does not, within twenty one days from the date of deposit of a valid requisition in regard to any matters, proceed duly to call a meeting for the consideration of those matters, on a day not later than forty five days from the deposit of the requisition, the meeting may be called by such of the requisitionists as represent either majority in value of the paid-up share capital held by all of them or not less than one-tenth of such of the paid-up share capital of the Company as is referred to in sub-article (4), whichever is less. However, for the purpose of this sub-article (4), the Directors shall, in the case of a meeting at which a resolution is to be proposed as a special resolution give, such notice thereof as is required by sub-section (2) of Section 189 of The Act.

(7) A meeting called under sub-article (6) by the requisitionists or any of them:

(a) shall be called in the same manner, as nearly as possible, as that in which the meetings are to be called by the Board, but

(b) shall not be held after the expiration of three months from the date of the deposit of the requisition; provided that nothing contained in this sub-article shall be deemed to prevent a meeting duly commenced before the expiry of the period of three months aforesaid, from adjourning to some day after the expiry of that period.

(8) Where two or more persons hold any shares or interest in the Company jointly, a requisition, or a notice calling a meeting, signed by one or some of them only shall, for the purposes of this Article, have the same force and effect as if it had been signed by all of them.

(9) Any reasonable expenses incurred by the requisitionists by reason of the failure of the Board to call a meeting shall be reimbursed to the requisitionists by the Company and any sum so reimbursed shall be retained by the Company out of any sums due or to become due from the Company by way of fees or other remuneration for their services to such of the Directors as were in default.

Notice of Meeting

90. (1) A General Meeting of the Company may be called by giving not less than twenty one days notice in writing.

(2) A General Meeting may be called after giving shorter notice than that specified in sub-article (1), if consent is accorded thereto:

(a) in the case of an Annual General Meeting by all the Members entitled to vote thereat, and

(b) in the case of any other meeting by Members of the Company holding not less than ninety five per cent of such part of the paid-up share capital of the Company as gives them a right to vote at the meeting; provided that where any Members of the Company are entitled to vote only on some resolution to be moved at a meeting and not on the others, those Members shall be taken into account for the purposes of these sub-articles in respect of the former resolution or resolutions and not in respect of the latter.

Contents and manner of service of notice and persons on whom it is to be served

91. (1) Every Notice of a meeting of the Company shall specify the place and the day and the hour of the meeting and shall contain a statement of the business to be transacted thereat.

(2) Notice of every meeting of the Company shall be given

(a) to every Member of the Company in any manner authorised by sub-section (1) to sub-section (5) of Section 53 of The Act;

(b) to the persons entitled to a share in consequence of the death or insolvency of a Member by sending it through the post in a prepaid letter addressed to them by name, or by the title of representative of the deceased, or assignees of the insolvent or by any like description at the address, if any, in India supplied for the purpose by the persons claiming to be so entitled, or until such an address has been supplied, by giving the notice in any manner in which it might have been given if the death or insolvency had not occurred.

Omission to give notice not to invalidate proceedings at the meeting

92. The accidental omission to give notice to or the non-receipt of notice by any Member or other person to whom it should be given shall not invalidate the proceedings at the meeting.

Business at General Meetings

93. (1) In the case of an Annual General Meeting, all business to be transacted at the meeting shall be deemed special, with the exception of business relating to :

- (a) the consideration of accounts, balance sheet and reports of the Board of Directors and Auditors;
- (b) the declaration of a dividend;
- (c) the appointment of Directors in the place of those retiring; and
- (d) the appointment of, and fixing the remuneration of the Auditors; and

(2) in the case of any other General Meeting all business shall be deemed special;

(3) Where any items of business to be transacted at the meeting are deemed to be special as aforesaid, there shall be annexed to the notice of meeting a statement setting out all material facts concerning each such item of business, including in particular the nature of the concern or interest, if any, therein of every Director, and the Manager, if any; provided that where any item of special business as aforesaid to be transacted at a meeting of the Company relates to, or affects any other company, the extent of shareholding interest in that other company of every Director and the Manager, if any, of the Company shall also be set out in the statement if the extent of such shareholding interest is not less than twenty percent of the paid-up capital of that other Company.

(4) Where any item of business consists of the according of approval to any document by the meeting, the time and place where the document can be inspected shall be specified in the statement aforesaid.

Ordinary and Special resolutions

94. (1) A resolution shall be an ordinary resolution when at a General Meeting of which the notice required under The Act has been duly given, the votes cast (whether on a show of hands, or

on a poll, as the case may be) in favour of the resolution (including the casting vote, if any, of the Chairman) by Members who, being entitled to do so, vote in person or where proxies are allowed, by proxy exceed the votes, if any, cast against the resolution by Members so entitled and voting.

(2) A resolution shall be a special resolution when :-

(a) the intention to propose the resolution as a special resolution has been duly specified in the notice calling the General Meeting or other intimation given to the Members of the resolution;

(b) the notice required under The Act has been duly given of the General Meeting; and

(c) the votes cast in favour of the resolution (whether on a show of hands, or on a poll as the case may be), by Members who, being eligible so to do vote in person, or where proxies are allowed, by proxy, are not less than three times the number of votes, if any, cast against the resolution by Members so entitled and voting.

Resolution requiring special notice

95. (1) Where, by any provisions contained in The Act or in these Articles, special notice is required of any resolution, notice of the intention to move the resolution shall be given to the Company not less than fourteen days before the meeting at which it is to be moved, exclusive of the day on which the notice is served or deemed to be served and the day of the meeting.

(2) The Company shall, immediately after the notice of the intention to move any such resolution has been received by it, give its Members notice of the resolution in the same manner as it gives notice of the meeting, or if that is not practicable, shall give them notice thereof, either by advertisement in a newspaper having an appropriate circulation or in any other mode allowed by these Articles, not less than seven days before the meeting.

PROCEEDINGS AT GENERAL MEETING

Quorum at General Meeting

96. Five Members personally present shall be a quorum for a General Meeting and no business shall be transacted at any general meeting unless the requisite quorum is present at the commencement of the business.

Business confined to election of Chairman whilst chair vacant

97. No business other than the election of a Chairman shall be discussed at any General Meeting whilst the chair is vacant.

Chairman of General Meeting

98. The Chairman of the Directors shall be entitled to take the Chair at every General Meeting. If there be no Chairman or if at any meeting he shall not be present within fifteen minutes after the time appointed for holding such meeting, or is unwilling to act, the directors present may chose one of their numbers to act as Chairman of the meeting and in default of their doing so, the Members present shall elect on show of hands one of the Directors to take the Chair and if no Director present be willing to take the Chair, the Members present shall elect on show of hands one of their number to be the Chairman of the Meeting.

Proceeding when quorum not present

99. If within half an hour after the time appointed for the holding of a General Meeting, a quorum is not present, the meeting if commenced on the requisition of shareholders shall be dissolved and, in any other case, shall stand adjourned to the same day in the next week, at the same time and place or to such other day and at such time and place as the Directors may determine. If at such adjourned meeting also a quorum is not present within half an hour from the time appointed for holding the meeting, the Members present shall be a quorum and may transact the business for which the meeting was called.

Adjourned Meeting

100. The Chairman with the consent of the meeting at which the quorum is present adjourn any meeting from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than the business which might have been transacted at the meeting from which the adjournment took place. No notice of adjourned meeting shall be necessary to be given unless the meeting is adjourned for more than thirty days.

What is to be evidence of the passing of resolution where poll not demanded

101. At any General Meeting a resolution put to vote of the meeting shall be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands) demanded in the manner hereinafter mentioned, and unless a poll is so demanded, a declaration by the Chairman that a resolution has, on a show of hands, been carried or carried unanimously or by a particular majority, or lost and an entry to that effect in the book of the proceedings of the Company shall be conclusive evidence thereof without proof of the number or proportion of the votes recorded in favour of or against the resolution.

Demand for poll

102. (1) Before or on the declaration of the result of the voting on any resolution on a show of hands, a poll may be ordered to be taken by the Chairman of the meeting of his own motion, and shall be ordered to be taken by him on a demand made in that behalf by any Member or Members present in person or by proxy and holding shares in the Company which confer a power to vote on the resolution not being less than one-tenth of the total voting power in respect of the resolution or on which an aggregate sum of not less than fifty thousand rupees has been paid-up.

(2) The demand for a poll, may be withdrawn at any time by the person who made the demand.

Time of taking poll

103. (1) If a poll is demanded on the election of a Chairman or on a question of adjournment, it shall be taken forthwith and without adjournment.

(2) A poll demanded on any other question shall be taken at such time not being later than forty-eight hours from the time when the demand was made, as the Chairman may direct.

Rights of a Member to use his votes differently

104. On a poll taken at a meeting of the Company, a Member entitled to more than one vote, or his proxy or other persons entitled to vote for him as the case may be, need not, if he votes, use all his votes or cast in the same way all the votes he uses.

Scrutinizers at poll

105. (1) Where a poll is to be taken, the Chairman of the meeting shall appoint two scrutinizers to scrutinise the votes given on the poll and to report thereon to him.

(2) The Chairman shall have power, at any time before the result of the poll is declared, to remove a scrutinizer from office and to fill vacancies in the office of the scrutinizer arising from such removal or from any other cause.

(3) Of the two scrutinizers appointed under this Article, one shall always be a Member (not being an Officer or employee of the Company) present at the meeting, provided that such a Member is available and willing to be appointed.

Manner of taking poll and result thereof

106. (1) Subject to the provision of The Act, the Chairman of the meeting shall have the power to regulate the manner in which a poll shall be taken.

(2) The result of the poll shall be deemed to be the decision of the meeting on the resolution on which the poll was taken.

Motion how decided in case of equality of votes

107. In the case of equality of votes, whether on show of hands or on a poll, the Chairman of the meeting at which the show of hands takes place or at which a poll is demanded, shall be entitled to a casting vote in addition to his own vote or votes to which he may be entitled as a Member.

Demand for poll not to prevent transaction of other business

108. The demand for a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll has been demanded.

Minutes of General Meetings

109. (1) The Company shall cause minutes of all proceedings of General Meetings to be entered in books kept for that purpose within thirty days of the conclusion of every such meeting concerned, entries thereof in books kept for that purpose with their pages consecutively numbered. The Minutes of each Meeting shall contain a fair and correct summary of the proceedings thereat. All the appointments of officers made at any of the meetings shall be included in the minutes of the meeting. Any such minutes, if purported to be signed by the Chairman of the meeting at which the proceedings took place or in the event of the death or inability of that Chairman by a Director duly authorised by the Board for the purpose, shall be evidence of the proceedings.

(2) The Minutes may be maintained in the books in the form of a binder containing loose leaves in the manner prescribed by the Central Government.

Inspection of Minute books

110. The books containing minutes of proceedings of General Meetings of the Company shall be kept at the Registered Office of the Company and shall be open to the inspection of any Member without charge between 11 a.m. and 1.00 p.m. on all working days.

Copies of Minutes

111. Any Member shall be entitled to be furnished within seven days after he had made a request in that behalf to the Company with a copy of any minutes referred to above at such charges as may be prescribed by The Act.

VOTES OF MEMBERS

Voting of Members

112. Subject to any rights or restrictions for the time being attached to any class or classes of shares-

(1) upon a show of hands every Member of the Company entitled to vote and present in person or by attorney or proxy shall have one vote; and

(2) upon a poll, every Member of the Company who being an individual is present in person or by attorney or by proxy or being a corporation is present by a representative or proxy shall have a voting right in proportion to his share of the paid-up capital of the Company.

Voting by Corporations

113. (1) A corporation / institution / company / organisation / society, or any other body corporate, may if it is Member, by a resolution of the Board of Directors or other governing body in accordance with the provisions of Section 187 of The Act, authorise such person as it thinks fit to act as its representative.

(2) The production at the meeting of a copy of such resolution duly signed by one Director of such corporation or by a member of its governing body and certified by him as being a true copy of the resolution shall on production at the meeting, be accepted by the Company as sufficient evidence of the validity of his appointment.

(3) A person authorised by a resolution as aforesaid shall be entitled to exercise the same rights and powers (including the right to vote by a proxy) on behalf of the body corporate which he represents as that body could exercise if it were an individual Member.

114. No Member shall be entitled to vote either personally or by proxy for another Member at any General Meeting or meeting of a class of shareholders either upon a show of hands or upon poll in respect of any shares registered in his name on which any call or other sums presently payable by him have not been paid or in regard to which the Company has exercised any right of lien.

115. Any person entitled under the transmission clause to transfer any shares may vote at General Meetings in respect thereof as if he was the registered holder of such shares provided that at least forty-eight hours before the time of holding the meeting or adjourned meeting as the case may be at which he proposes to vote he shall satisfy the Directors of his right to transfer such shares unless the Directors shall have previously admitted his right to vote at such meeting in respect thereof.

Qualification of proxy

116. (1) Any Member of the Company entitled to attend and vote at a meeting of the Company shall be entitled to appoint another person (whether a Member or not) as his proxy to attend and vote instead of himself, but a proxy so appointed shall not have any right to speak at the meeting.

(2) In every notice calling a meeting of the Company, there shall appear with reasonable prominence a statement that a Member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and that a proxy need not be a Member.

Votes may be given by proxy or attorney

117. Votes may be given either personally or by attorney or by proxy or in case of a corporation/institution/company/organisation/society also by a representative duly authorised as aforesaid.

Execution of instrument of proxy

118. The instrument appointing a proxy shall be in writing under the hand of the appointer or his attorney or if such appointer is a company or corporation under its common seal or under the hand of a person duly authorised by such company or corporation in that behalf or under the hand of its attorney who may be the appointer.

Deposit of instrument of appointment of proxy and inspection

119. No person shall act as proxy unless the instrument of his appointment and the Power of Attorney or other authority, if any, under which it is signed or a copy of that Power of Attorney or other authority, duly certified by a Notary Public, shall be deposited at the Office at least forty eight hours before the time of holding the meeting at which the person named in the instrument of proxy proposes to vote and in default the instrument appointing the proxy shall not be treated as valid. No attorney shall be entitled to vote unless the Power of Attorney or other instrument appointing him as attorney or a copy thereof, duly certified by a Notary Public, has either been registered in the records of the Company at any time not less than forty eight hours before the time of the meeting at which the attorney proposes to vote or is deposited at the Office not less than forty eight hours before the time of same meeting as aforesaid. Notwithstanding that a Power of Attorney or other authority has been registered in the records of the Company, the Company may by notice in writing addressed to the Member or that attorney at least seven days before the date of a meeting require him to produce the original Power of Attorney or authority and unless the same is thereupon deposited with the Company not less than forty eight hours before the time fixed for the meeting, the attorney shall not be entitled to vote at such meeting unless the Directors in their absolute discretion excuse such non production and deposit. Every member entitled to vote at a meeting of the Company or any resolution to be moved thereat shall be entitled during the period beginning twenty four hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting to inspect the proxies lodged at any time during the

business hours of the Company provided that not less than three days notice in writing of the intention so to inspect is given to the Company.

Custody of the instrument

120. If any Instrument of appointment is confined to the object of appointing a proxy or substitute for voting at meetings of the Company, it shall remain permanently or for such time as the Director may determine, in the custody of the Company, and if embracing other objects a copy thereof, examined with the original, shall be delivered to the Company to remain in custody of the Company.

Instrument appointing proxy

121. Every instrument of proxy whether for a specified meeting or otherwise shall be in writing and if the appointer is a corporation under its common seal or the hand of an officer or an attorney duly authorised by it and shall as nearly as circumstances will admit be in the form specified in Schedule IX of The Act.

Validity of votes given by proxy notwithstanding death of Members, etc.

122. A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death of the principal or revocation of the proxy or of any power of attorney under which such proxy was signed or the transfer of the shares in respect of which the vote is given provided that no intimation in writing of the death, revocation or transfer shall have been received at the office before the meeting

Time for objections to votes

123. No objection shall be made to the validity of any vote except at the meeting or poll at which such vote shall be tendered, and every vote, whether given personally or by proxy not disallowed at such meeting or poll, shall be deemed valid for all purposes.

Chairman of any meeting to be the judge of validity of any vote

124. The Chairman of any meeting shall be the sole judge to decide the validity of every vote tendered at such meeting. The Chairman present at the time of conducting of a poll shall be the sole judge of the validity of every vote tendered at such poll.

Equal rights of Members

125. Any Member whose name is entered in the Register of Members of the Company shall enjoy the same rights and be subject to the same liabilities as all other Members of the same class.

DIRECTORS

Number of Directors

126. The number of Directors shall not be less than three nor more than Sixteen and the number of Directors may be increased beyond Sixteen with the approval of the Central Government.

Composition of Board of Directors

126A. The Board shall include -

- (i) Public Interest directors;
- (ii) Shareholder directors; and
- (iii) Managing Director.

Notwithstanding anything to the contrary contained in these Articles, Securities Contract Regulation (Stock Exchange and Clearing Corporation) (Regulations), 2012, directives issued by SEBI, Circulars issued from time to time with regard to composition of the Board, general requirements related to manner of appointment of directors, key management personnel, 'code of conduct for Directors and key management personnel' and other incidental and consequential matters relating to governance of the Company shall be complied with.

The manner of election, appointment, tenure, resignation, vacation etc. of Directors shall be governed by the Companies Act, 2013, Securities Contract Regulation (Stock Exchange and Clearing Corporation) (Regulations), 2012, directives issued by SEBI, Circulars issued from time to time.

1.1 The number of public interest directors shall not be lesser than the number of shareholder directors in the Exchange.

1.2 The managing director shall be an ex-officio director on the Board of Director and shall not be included in either the category of public interest directors or shareholder directors. Any employee of the Exchange may be appointed on the Board of Directors in addition to the managing director, and such director shall be deemed to be a shareholder director. Atleast one public interest director shall be present in the meetings of the Board of Directors to constitute the quorum.

1.3 The persons to be appointed as Directors should satisfy the criteria of "fit and proper person" as prescribed by SEBI.

Public Interest Directors

126B. 1.1 The public interest directors on the Board of Directors of the Exchange shall be nominated by the SEBI. Public interest directors shall be nominated for a fixed term of three years, or for such extended period, as may be approved by SEBI. If any issue arises as to whether an assignment or position of a public interest director is in conflict with his role, the SEBI's decision shall be final. A public interest director may be renominated after a cooling-off period of one year or such period as the SEBI may deem fit in the interest of the securities market. Public interest directors shall be paid only sitting fees as specified in the Companies Act 2013.

1.2 The names of public interest directors shall be forwarded to SEBI after the approval of the Board of the Exchange. The shareholders approval shall not be necessary. A minimum of two names shall be submitted to SEBI for each vacancy of public interest directors.

1.3 The Exchange shall ensure that public interest directors are selected from diverse field of work. While deciding to propose a particular person as a public interest director, the Exchange shall also take into account the following factors:

- a) Qualification in the area of law, finance, accounting, economics, management, administration or any other area relevant to the financial markets.
- b) Atleast one person may be inducted having experience and background in finance / accounts who may preferably be inducted in the audit committee.
- c) Persons currently holding positions of trust and responsibility in reputed organisations or person who have retired from such positions.
- d) Persons who are likely to have interested positions in commercial contracts and financial affairs of stock exchanges, may be excluded. Also, persons who are regular traders/speculators in the market or are director in the board of the promoter entity of the Exchange shall be excluded.

1.4 Public interest directors shall not be simultaneously on the board of any other stock exchange or their subsidiary.

1.5 Public interest directors shall peruse the relevant laws, code of conduct, code of ethics, etc and submit an undertaking to the Exchange that they are aware of their role, responsibilities and obligations. The Exchange shall also provide at least seven days of training to every public interest director each year.

1.6 In case of extension of the term of the public interest director or appointment of a new public interest director, the Exchange shall apply to SEBI two months before the expiry of the term. In addition to the other requirements prescribed, the application for extension of term of the public interest director shall be accompanied with, his attendance details on meetings of various

mandatory committees and on the Board of Directors of the stock exchange, reasons for waiver of the cooling off period.

1.7 The public interest director shall not be subject to retirement by rotation.

1.8 The existing public interest director shall continue holding the post, till a new public interest director is appointed in his place.

126C (1) No trading member or clearing member, or their associates and agents, shall be on the Board of Directors of the Exchange.

(2) No foreign portfolio investor shall have any representation in the Board of Directors of the Exchange.

Shareholder Directors

126D. 1.1. The names of persons to be appointed as shareholder directors shall first be approved by the Board of Directors of the Exchange, followed by Shareholders' approval before submitting the same to SEBI for approval.

1.2. The manner of election, appointment, tenure, resignation, vacation etc. of Shareholder Directors shall be governed by the Companies Act, 2013 save as otherwise specifically provided under the SECC Regulations or in accordance with the Securities Contracts (Regulation) Act, 1956, circulars issued thereunder.

Code of Conduct for Directors and Key Management Personnel

126E 1.1. Every director of Exchange shall abide by the Code of Conduct.

The Code of Conduct is as under:

i. Meetings and minutes.

Every director of the Exchange shall—

- a) not participate in discussions on any subject matter in which any conflict of interest exists or arises, whether pecuniary or otherwise, and in such cases the same shall be disclosed and recorded in the minutes of the meeting;
- b) not encourage the circulation of agenda papers during the meeting, unless circumstances so require;
- c) offer their comments on the draft minutes and ensure that the same are incorporated in the final minutes;
- d) insist on the minutes of the previous meeting being placed for approval in subsequent meeting;
- e) endeavour to have the date of next meeting fixed at each board meeting in consultation with other members of the board;
- f) endeavour to ensure that in case all the items of the agenda of a meeting were not covered for want of time, the next meeting is held within fifteen days for considering the remaining items.

ii. Code of Conduct for the public interest directors.

a) In addition to the conditions stated in Para (i) above, public interest directors of the Exchange shall, endeavour to attend all the board meetings and they shall be liable to vacate office if they remain absent for three consecutive meetings of the board or do not attend seventy five per cent. of the total meetings of the board in a calendar year.

b) Public interest directors shall meet separately, at least once in six months to exchange views on critical issues.

iii. Strategic planning.

Every director of the Exchange shall—

- a) participate in the formulation and execution of strategies in the best interest of the Exchange and contribute towards pro-active decision making at the board level;
- b) give benefit of their experience and expertise to the Exchange and provide assistance in strategic planning and execution of decisions.

iv. Regulatory compliances.

Every director of the Exchange shall—

- a) endeavour to ensure that the Exchange abides by all the provisions of the Securities and Exchange Board of India Act, 1992, Securities Contracts (Regulation) Act, 1956, rules and regulations framed thereunder and the circulars, directions issued by SEBI from time to time;
- b) endeavour compliance at all levels so that the regulatory system does not suffer any breaches;
- c) endeavour to ensure that the Exchange takes steps commensurate to honour the time limit stipulated by SEBI for corrective action;
- d) not support any decision in the meeting of the board which may adversely affect the interest of investors and shall report forthwith any such decision to the SEBI.

v. General responsibility.

Every director of the Exchange shall—

- a) place priority for redressing investor grievances and encouraging fair trade practice so that the Exchange becomes an engine for the growth of the securities market;
- b) endeavour to analyse and administer the Exchange issues with professional competence, fairness, impartiality, efficiency and effectiveness;
- c) submit the necessary disclosures/statement of holdings/dealings in securities as required by the Exchange from time to time as per their Rules or Articles of Association;
- d) unless otherwise required by law, maintain confidentiality and shall not divulge/disclose any information obtained in the discharge of their duty and no such information shall be used for personal gains;
- e) maintain the highest standards of personal integrity, truthfulness, honesty and fortitude in discharge of their duties in order to inspire public confidence and shall not engage in acts discreditable to their responsibilities;
- f) perform their duties in an independent and objective manner and avoid activities that may impair, or may appear to impair, their independence or objectivity or official duties;
- g) perform their duties with a positive attitude and constructively support open communication, creativity, dedication, and compassion;
- h) not engage in any act involving moral turpitude, dishonesty, fraud, deceit, or misrepresentation or any other act prejudicial to the administration of the Exchange.

1.2. Every director and key management personnel of Exchange shall abide by the Code of Ethics as set out hereunder:

Code of Ethics

i. Objectives and underlying principles.

The Code of Ethics for directors and key management personnel of the Exchange seeks to establish a minimum level of business/ professional ethics to be followed by these directors and key management personnel, towards establishing a fair and transparent marketplace. The Code of Ethics is based on the following fundamental principles:

- Fairness and transparency in dealing with matters relating to the Exchange and the investors.

- Compliance with all laws/ rules/ regulations laid down by regulatory agencies/ the Exchange.
- Exercising due diligence in the performance of duties.
- Avoidance of conflict of interest between self interest of directors/ key management personnel and interests of the Exchange and investors.

ii. Ethics committee.

For overseeing implementation of this Code, an ethics committee shall be constituted by the Exchange under the respective Board of Directors.

iii. General standards.

- a) Directors and key management personnel shall endeavour to promote greater awareness and understanding of ethical responsibilities.
- b) Directors and key management personnel, in the conduct of their business shall observe high standards of commercial honour and just and equitable principles of trade.
- c) The conduct of directors and key management personnel in business life should be exemplary which will set a standard for other members of the Exchange.
- d) Directors and key management personnel shall not use their position to give/get favours to/from the executive or administrative staff of Exchange, technology or service providers and vendors of the Exchange.
- e) Directors and key management personnel shall not commit any act which will put the reputation of the Exchange, in jeopardy.
- f) Directors, committee members and key management personnel of the Exchange, should comply with all rules and regulations applicable to the securities market.

iv. Disclosure of dealings in securities by key management personnel of the Exchange.

- a) Key management personnel of the Exchange shall disclose on a periodic basis as determined by the Exchange (which could be monthly), all their dealings in securities, directly or indirectly, to the Board of Directors/ ethics committee/ Compliance Officer.
 - b) The dealings in securities shall also be subject to trading restrictions for securities about which key management personnel in the Exchange may have non-public price sensitive information. Requirement laid down under Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 may be referred in this regard.
 - c) All transactions must be of an investment nature and not speculative in nature. Towards this end, all securities purchased must be held for a minimum period of sixty days before they are sold. However, in specific/exceptional circumstances, sale can be effected anytime by obtaining pre-clearance from the Compliance Officer to waive this condition after recording in writing his satisfaction in this regard.
- Explanation.— "securities" for the purposes of this Code shall not include mutual fund units.

v. Disclosure of dealings in securities by directors of the stock exchange

- a) All transactions in securities by the directors and their family shall be disclosed to the Board Directors of the Exchange.
- b) All directors shall also disclose the trading conducted by firms/corporate entities in which they hold twenty per cent. or more beneficial interest or hold a controlling interest, to the Ethics Committee.
- c) Directors who are Govt. of India nominees or nominees of Govt. of India statutory bodies or financial institutions and are governed by their own codes shall be exempt from this requirement.

vi. Avoidance of conflict of interest.

a) No director of the Board or member of any committee of the Exchange shall participate in any decision making/adjudication in respect of any person /matter in which he is in any way, directly or indirectly, concerned or interested.

b) Whether there is any conflict of interest or not in a matter, should be decided by the Board of Directors.

vii. Disclosures of beneficial interest.

All directors and key management personnel shall disclose to Board of Directors, upon assuming office and during their tenure in office, whenever the following arises:

- a) any fiduciary relationship of self and family members and directorship/partnership of self and family members in any trading member or clearing member;
- b) shareholding, in cases where the shareholding of the director, directly or through his family exceeds 5 per cent. in any listed company or in other entities related to the securities markets;
- c) any other business interests.

viii. Role of the Chairperson and directors in the day to day functioning of the Exchange.

a) The Chairperson and directors shall not interfere in the day to day functioning of the Exchange and shall limit their role to decision making on policy issues and to issues as the Board of Directors may decide.

b) The Chairperson and directors shall abstain from influencing the employees of the Exchange in conducting their day to day activities.

c) The Chairperson and directors shall not be directly involved in the function of appointment and promotion of employees unless specifically so decided by the Board of Directors.

ix. Access to information.

a) Directors shall call for information only as part of specific committees or as may be authorised by the Board of Directors.

b) There shall be prescribed channels through which information shall move and further there shall be audit trail of the same. Any retrieval of confidential documents/ information shall be properly recorded.

c) All such information, especially which is non-public and price sensitive, shall be kept confidential and not be used for any personal consideration/ gain.

d) Any information relating to the business/operations of the Exchange, which may come to the knowledge of directors/ key management personnel during performance of their duties shall be held in strict confidence, shall not be divulged to any third party and shall not be used in any manner except for the performance of their duties.

x. Misuse of position.

Directors/ committee members shall not use their position to obtain business or any pecuniary benefit in the organization for themselves or family members.

xi. Ethics committee to lay down procedures.

a) The ethics committee shall lay down procedures for the implementation of the code and prescribe reporting formats for the disclosures required under the code.

b) The Compliance Officer shall execute the requirements laid down by the ethics committee.

While the objective of this Code is to enhance the level of market integrity and investor confidence, it is emphasized that a written code of ethics may not completely guarantee adherence to high ethical standards. This can be accomplished only if directors and key management personnel of the Exchange commit themselves to the task of enhancing the fairness and integrity of the system in letter and spirit.

First Directors

127. (1) The persons hereinafter named are the first Directors of the Company:-

- (i) Mr. Puranam Hayagreeva Ravikumar
- (ii) Mr. Ravi Dharam Narain
- (iii) Mr. Yogesh Chand Nanda

(2) The first Directors shall hold office until the close of the first Annual General Meeting of the Company provided that if vacancy arises in the office of any of the aforesaid first Directors before the close of the first Annual General Meeting of the Company then such vacancy may be filled by the Directors at their meeting.

Managing Director

128. 1.1 The appointment, renewal of appointment and termination of service of the managing director of the Exchange shall be subject to prior approval of the SEBI.

1.2 The Exchange shall, subject to the guidelines issued by the SEBI from time to time, determine the qualification, manner of appointment, terms and conditions of appointment and other procedural formalities associated with the selection/ appointment of the managing director.

1.3 The appointment of the managing director shall be for a tenure not less than three years and not exceeding five years.

1.4 The managing director the Exchange shall not—

- (a) be a shareholder or an associate of a shareholder of the Exchange or shareholder of an associate of the Exchange;
- (b) be a trading member or a clearing member, or his associate and agent, or shareholder of a trading member or clearing member or shareholder of an associate and agent of a trading member or a clearing member; or
- (c) hold any position concurrently in the subsidiary of Exchange or in any other entity associated with the Exchange:

Provided that the managing director of the Exchange may be appointed on the Board of Directors, but not as managing director, of the subsidiary of the Exchange.

1.5 The managing director shall be liable for removal or termination of services by the Board of Directors with the prior approval of the SEBI for failure to give effect to the directions, guidelines and other orders issued by the SEBI, or the rules, the articles of association, bye-laws and regulations of the Exchange.

1.6 The SEBI may suo motu remove or terminate the appointment of the managing director if deemed fit in the interest of securities market:

Provided that no managing director shall be removed unless he has been given a reasonable opportunity of being heard.

1.7 The Exchange shall constitute a Committee for the selection of the CEO /Managing Director /Executive Director, as the case may be. The managing director shall be selected through open advertisement in all editions of atleast one national daily from amongst persons qualified in the fields of capital market/ finance/ management and possessing sufficient experience. In case of re-appointment, or extension the Exchange shall apply to SEBI two months before the last working day of such Managing Director.

1.8 In case a vacancy of managing director arises due to unforeseen reasons, the Exchange shall forward the new names to SEBI within 60 days from the date of submission of resignation or such vacation of office.

1.9 At the time of seeking approval of SEBI for the appointment of the managing director, the Exchange shall seek approval for the compensation of the managing director from SEBI. The compensation of the Managing Director of a Exchange shall be in accordance with the following compensation norms stiputed by SEBI:

- a) The variable pay component will not exceed one-third of total pay.
- b) 50% of the variable pay will be paid on a deferred basis after three years.
- c) ESOPs and other equity linked instruments in the Exchange will not form part of the compensation for the key management personnel.
- d) The compensation policy will have malus and clawback arrangements.

Apart from the above, the following shall also be taken into consideration:

- financial condition / health of the Exchange,
- average levels of compensation payable to employees in similar ranks,
- should not contain any provisions regarding incentives to take excessive risks over the short term,
- revenues, net profit of the Exchange,
- comparable to the industry standards,
- role and responsibilities of the managing director,
- periodic review

1.10 The aforesaid provisions shall also be applicable if the Exchange appoints a Chief Executive Officer who is not a Managing Director.

Alternate Director

129. (1) Subject to Section 313 of The Act, the Board of Directors may appoint an Alternate Director to act for a Director (hereinafter in this Article called "the original Director") at his suggestion or otherwise, during his absence for a period of not less than three months from the State in which meetings of the Board are ordinarily held.

(2) An Alternate Director appointed under sub-article (1) shall not hold office as such for a period longer than permissible to the original Director in whose place he has been appointed and shall vacate office if and when the original Director returns to the State in which meetings of the Board are ordinarily held.

(3) If the term of office of the original Director is determined before he so returns to the State aforesaid, any provision for the automatic reappointment of the retiring Directors in default of another appointment shall apply to the original and not to the Alternate Director.

Additional Directors and Director appointed to fill casual vacancy

130. The Directors shall have power at any time to appoint any person as a Director either to fill a casual vacancy or as an additional Director, but the total number of Directors shall not exceed the maximum number fixed by Articles. Any Director appointed as additional director shall hold the office only upto the next Annual General Meeting of the Company and shall then be entitled for appointment as Director. Any Director appointed to fill a casual vacancy shall hold office only up to the date up to which the Director in whose place he is appointed would have held office had it not been vacated.

Share Qualification of Director

131. No Director shall be required to hold any qualification shares of the Company.

Remuneration of Director

132. (1) The remuneration payable to Directors, including the Managing Director/ Whole time Director shall, subject to the applicable provisions of The Act and of these Articles and of any contract between him and the Company, be fixed by the Company in General Meeting from time to time, and may be by way of fixed salary and/or perquisites or commission on profits of the Company or participation in such profits, or by any or all these modes not expressly prohibited by The Act.

(2) The fees payable to a Director for attending a meeting of the Board or Committee thereof shall be as decided by the Board of Directors from time to time and subject to such ceiling as may be prescribed by The Act or the Central Government.

Directors not being residents of place where a meeting is held may receive extra compensation

133. The Directors may allow and pay to any Director, who is not a resident of the place where a meeting is held and who shall come to such place for the purpose of attending a meeting, such sum as the Directors may consider fair compensation for travelling, hotel and other expenses in addition to his remuneration to be paid to any member or members of their body, or a committee appointed by the Directors in terms of these Articles.

Special remuneration to Director for extra service, etc.

134. If any Director being willing, be called upon to perform extra service or special exertions in going out or residing at particular place or otherwise for any of the purposes of the Company, the Company may remunerate such Director either by a fixed sum or otherwise as may be determined by the Directors and such remuneration may be either in addition to or in substitution for his remuneration above provided.

Directors may act notwithstanding any vacancy

135. Subject to the provisions of The Act, the continuing Directors may act notwithstanding any vacancy in their body; but if the number falls below the minimum number fixed, the Directors shall not, except in emergencies or for the purpose of filling up vacancies or for summoning a General Meeting of the Company, act so long as the number is below the minimum and they may so act notwithstanding the absence of a necessary quorum under the provisions of Article 154.

Directors vacating office

136. (1) Subject to the provisions contained in sub-article (2) hereinbelow, the office of a Director shall become vacant if-

- (a) he is found to be of unsound mind by a Court of competent jurisdiction; or
- (b) he applies to be adjudicated an insolvent; or
- (c) he is adjudged an insolvent; or
- (d) he is convicted by a court of any offence involving moral turpitude and sentenced in respect thereof to imprisonment for not less than six months; or
- (e) he fails to pay any calls in respect of shares held by him alone or jointly with others within six months from the last date fixed for the payment of such calls made unless the Central Government has, by notification in the Official Gazette, removed the disqualification incurred by such failure; or
- (f) he absents himself from three consecutive meetings of the Directors or from all meetings of the Directors for continuous period of three months, whichever is longer, without leave of absence from the Board of Directors; or
- (g) he (whether by himself or by any person for his benefit or on his account), or any firm in which he is a partner or any private company of which he is a Director accepts a loan or guarantee or security for a loan from the Company in contravention of Section 295 of The Act; or
- (h) he acts in contravention of Section 299 of The Act; or
- (i) he becomes disqualified by an order of the Court under Section 203 of The Act; or
- (j) he is removed in pursuance of Section 284 of The Act by an ordinary resolution of the Company before the expiry of his period of office; or

(k) he resigns from office by notice in writing addressed to the Company or to the Directors; or

(l) he, his relative or partner or any firm in which he or his relative is a partner or any private company of which he is a Director or Member, holds any office of profit under the Company or any subsidiary hereof in contravention of Section 314 of The Act; or

(m) having been appointed a Director by virtue of his holding any office or other employment in the Company, he ceases to hold such office or other employment in the Company.

(2) Notwithstanding anything contained in clauses (c), (d) and (i) of sub-article (1), the disqualification referred to in those clauses shall not take effect (a) for thirty days from the date of adjudication or sentence or order (b) where any appeal or petition is preferred within the thirty days aforesaid against the adjudication, sentence or conviction resulting in the sentence or order, until the expiry of seven days from the date on which such appeal or petition is disposed of or (c) where within the seven days aforesaid, any further appeal or petition is preferred in respect of the adjudication, sentence, conviction or order and the appeal or petition, if allowed, would result in the removal of the disqualification, until such further appeal or petition is disposed of.

Disclosure of interest by Director

137. (1) Every Director of the Company who is in any way, whether directly or indirectly, concerned or interested in a contract or arrangement, or proposed contract or arrangement entered into or to be entered into, by or on behalf of the Company, shall disclose the nature of his concern or interest at a meeting of the Board of Directors.

(2) (a) In the case of proposed contract or arrangement, the disclosure required to be made by a Director under sub-article (1) shall be made at the meeting of the Board at which the question of entering into the contract or arrangement is first taken into consideration, or if the Director was not at the date of that meeting, concerned or interested in the proposed contract or arrangement, at the first meeting of the Board held after he becomes so concerned or interested.

(b) In the case of any other contract or arrangement, the required disclosure shall be made at the first meeting of the Board held after the Director becomes concerned or interested in the contract or arrangement.

(3) (a) For the purpose of sub-articles (1) and (2), a general notice given to the Board by a Director, to the effect that he is a Director or a member of a specified body corporate or company or is a partner of a specified firm and is to be regarded as concerned or interested in any contract or arrangement which may, after the date of the notice, be entered into with that body corporate or company or firm, shall be deemed to be a sufficient disclosure of concern or interest in relation to any contract or arrangement so made;

(b) Any such general notice shall expire at the end of the financial year in which it is given, but may be renewed for further period of one financial year at a time, by a fresh notice given in the last month of the financial year in which it would otherwise expire;

(c) No such general notice and no renewals thereof shall be of effect unless either it is given at a meeting of the Board or the Director concerned takes reasonable steps to secure that it is brought up and read at the first meeting of the Board after it is given.

(4) Nothing in this Article shall be taken to prejudice the operation of any rule of law restricting a Director of the Company from having any concern or interest in any contracts or arrangements with the Company.

(5) Nothing in this Article shall apply to any contract or arrangement entered into or to be entered into between the Company and any other company where any of the Directors of the Company or two or more of them together holds or hold not more than two percent of the paid-up share capital in the other company.

Interested Director not to participate or vote in Board's proceedings

138. (1) No Director of the Company shall, as a Director, take any part in the discussion of, or vote on, any contract or arrangement entered into, or to be entered into, by or on behalf of the Company, if he is, in anyway, whether directly or indirectly concerned, or interested in the contract or arrangement; nor shall his presence count for the purpose of forming a quorum at the time of any such discussion or vote; and if he does vote, his vote shall be void.

(2) This Article shall not apply to :-

(a) any contract of indemnity against any loss which the Directors or any one or more of them, may suffer by reason of becoming or being sureties or surety for the Company;

(b) any contract or arrangement entered into or to be entered into with a public company, or a private company, which is a subsidiary of a public company, in which the interest of the Director aforesaid consists solely in his being a Director, of such company and the holder of not more than shares of such number or value therein as is requisite to qualify him for appointment as a Director thereof, he having been nominated as such Director by the company, or in his being a member holding not more than two per cent of the paid-up share capital of such other company.

Directors may be Directors of companies promoted by the Company

139. A Director may be, or become, a Director of any company promoted by the Company, or in which it may be interested as a vendor, member or otherwise, and subject to the provisions of The Act and these Articles, no such Director shall be accountable for any benefits received as Director or any member of such company.

ROTATION OF DIRECTORS

Non-rotational Directors

140. Directors other than SEBI nominated Public Interest Directors shall be persons whose period of office is liable to determination by rotation and, subject to the provisions of the Act, shall be appointed by the Company in a General Meeting.

Directors to retire annually, how determined

141. At every Annual General Meeting of the Company other than the first Annual General Meeting, one-third of such of the Directors for the time being as are liable to retire by rotation or, if their number is not three or a multiple of three, then the number nearest to one-third shall retire from office.

Which Directors to retire

142. The Directors to retire by rotation at every Annual General Meeting shall be those who are liable to retire and who have been longest in office since their last appointment, but as between persons, who became Directors on the same day, those who are to retire shall (unless they otherwise agree among themselves), be determined by lot.

Retiring Directors eligible for re-election

143. A retiring Director shall be eligible for re-election.

Company to fill up vacancy

144. The Company may, at the Annual General Meeting at which a Director retires as aforesaid, fill up the vacancy by appointing the retiring Director or some other person in that vacancy.

Retiring Directors to remain in office until successors appointed

145. If the place of the retiring Director is not filled up as provided in the preceding Article and the meeting has not expressly resolved not to fill the vacancy, the meeting shall stand adjourned till the same day in the next week, at the same time and place, or if that day is a public holiday, till the next succeeding day which is not a public holiday, at the same time and place and if at the adjourned meeting also, the place of the retiring Director is not filled up and that meeting also has

not expressly resolved not to fill the vacancy, the retiring Director shall be deemed to have been re-appointed at the adjourned meeting, unless -

(1) at that meeting or at the previous meeting, a resolution for the re-appointment of such Director has been put to the meeting and lost;

(2) the retiring Director has, by a notice in writing addressed to the Company or its Board of Directors, expressed his unwillingness to be so reappointed;

(3) he is not qualified or is disqualified for appointment;

(4) a resolution, whether special or ordinary, is required for his appointment by virtue of any provisions of The Act; or

(5) the proviso to sub-article (2) of Article 146 is applicable to the case.

Appointment of Directors to be voted individually

146. (1) At every Annual General Meeting of the Company, a motion shall not be made for the appointment of two or more persons as Directors of the Company by a single resolution, unless a resolution that it shall be so made has first been agreed to by the meeting without any vote being given against it.

(2) A resolution moved in contravention of sub-article (1) of this Article shall be void whether or not objection was taken at the time to this being so moved; provided that where a resolution so moved is passed, no provision for the automatic re-appointment of retiring Directors in default of another appointment shall apply.

(3) For the purpose of this Article, a motion for approving a person's appointment or for nominating a person for appointment shall be treated as motion for his appointment.

Rights of persons other than retiring Directors to stand for Directorship

147. (1) No person, not being a retiring Director, shall be eligible for election to the Office of Director at any General Meeting, unless he or some other Member intending to propose him has, at least fourteen clear days before the meeting, left at the office a notice in writing under his hand signifying his candidature for the Office of Director or the intention of such Member, to propose him, as a candidate for that Office, as the case may be along with a deposit of five hundred rupees which shall be refunded to such person, or as the case may be, to such Member, if the person succeeds in getting elected as a Director.

(2) The Company shall inform its Members of the candidature of a person for the Office of Director or the intention of a Member to propose such person as a candidate for that office by serving individual notices on the Members not less than seven days before the meeting; provided that it shall not be necessary for the Company to serve individual notices upon the Members as aforesaid if the Company advertises such candidature or intention not less than seven days before the meeting in at least two newspapers circulating in the place where the Registered Office of the Company is located, of which one is published in the English language and the other in the regional language of that place.

Removal of Directors

148. (1) The Company may, subject to the provisions of The Act and these Articles, by an ordinary resolution remove a Director before the expiry of his period of office.

(2) A special notice shall be required of any resolution to remove a Director under this Article or to appoint somebody instead of a Director so removed at the meeting at which he is removed.

(3) On receipt of notice of a resolution to remove a Director under this Article, the Company shall forthwith send a copy thereof to the Director concerned, and the Director (whether or not he is a Member of the Company) shall be entitled to be heard on the resolution at the meeting.

(4) Where notice is given of a resolution to remove a Director under this Article and the Director concerned makes with respect thereto representations in writing to the Company (not exceeding a reasonable length) and requests for notification to Members of the Company, the Company shall, unless the representations are received by it too late for it to do so -

(a) in the notice of the resolution given to Members of the Company, state the fact of the representations having been made; and

(b) send a copy of the representations to every Member of the Company to whom notice of the meeting is sent (whether before or after receipt of the representations by the Company) and if a copy of the representations is not sent as aforesaid because they were received too late or because of the Company's default, the Director may (without prejudice to his right to be heard orally) require that the representations shall be read out at the meeting; provided that copies of the representations need not be read out at the meeting, if on the application either of the Company or of any other person who claims to be aggrieved, the Central Government is satisfied that the rights conferred by this sub-article are being abused to secure needless publicity for defamatory matter.

(5) A vacancy created by the removal of a Director under this Article may, if he had been appointed by the Company in the General Meeting or by the Board pursuant to Article 130, be filled by the appointment of another Director in his stead, by the meeting at which he is removed, provided special notice of the intended appointment has been given under sub-article (2) of this Article. A Director so appointed shall hold office until the date up to which his predecessor would have held office, had he not been removed as aforesaid.

(6) If the vacancy is not filled under sub-article (5) of this Article, it may be filled as a casual vacancy in accordance with the provisions so far as they may be applicable of Article 130 and all the provisions shall apply accordingly; provided that the Director who was removed from office shall not be re-appointed as a Director by the Board of Directors.

PROCEEDINGS OF DIRECTORS' MEETING

Meeting of Directors

149. The Directors may meet together for the conduct of business, adjourn and otherwise regulate their meetings and proceedings as they think fit; provided, however, that a meeting of the Board of Directors shall be held at least once in every three months, and at least four such meetings shall be held in every year.

When meeting to be convened

150. The Chairman may at any time and the Manager or such other Officer of the Company as may be authorised by the Directors shall upon the request of a Director convene a meeting of the Directors.

Notice of Meetings

151. Notice of every meeting of the Board of Directors of the Company shall be given in writing to every Director for the time being in India, and at his usual address in India to every other Director.

Chairman of the Board of Directors

152. The Chairperson of the Board of Directors of the Exchange shall be Public Interest Director and shall be appointed with the prior approval of SEBI.

All meetings of the Directors shall be presided over by such Chairman, if present, but if, at any meeting of Directors, the Chairman be not present at the time appointed for holding the same, then

and in that case the Directors shall choose one of the Directors then present to preside at the meeting.

Question at a Board meeting, how decided

153. Questions arising at any meeting shall be decided by a majority of votes, and in case of an equality of votes, the Chairman of the meeting (whether the Chairman appointed by virtue of these Articles or the Director presiding at such meeting) shall have a second or casting vote.

Quorum and its competence to exercise powers

154. The quorum for meeting of the Board of Directors of the Company shall be one-third of its total strength (any fraction contained in that one-third being rounded off as one) or two Directors whichever is higher; provided that where at any meeting, the number of interested Directors exceeds or is equal to two-thirds of the total strength, the number of the remaining Directors, that is to say, the number of the Directors who are not interested, present at the meeting being not less than two, shall be the quorum during such time.

For the purpose of this Article:-

(1) "total strength" means the total strength of the Directors of the Company as determined in pursuance of The Act, after deducting there from the number of the Directors, if any, whose place may be vacant at the time ;

(2) "interested Director" means any Director whose presence cannot by reason of Article 138 or any other provision in The Act count for the purpose of forming a quorum at a meeting of the Board, at the time of the discussion or vote on any matter.

Procedure where meeting adjourned for want of quorum

155. (1) If a meeting of the Board could not be held for want of quorum, then, unless the Directors present at each meeting otherwise decide, the meeting shall automatically stand adjourned till the same day in the next week, at the same time and place, or if that day is a public holiday, till the next succeeding day which is not a public holiday at the same time and place.

(2) The provisions of Article 149 shall not be deemed to have been contravened merely by reason of the fact that a meeting of the board which had been called in compliance with the terms of that Article could not be held for want of quorum.

Directors may appoint Committee

156. The Directors may, subject to the provisions of The Act, delegate any of their powers to a Committee or Committees consisting of such member or members of their body as they deem fit, and they may, from time to time, revoke such delegation. Any Committee so formed shall in the exercise of the powers so delegated, conform to any regulations that may, from time to time, be imposed on it by the Directors.

Board Committees

156A. The Company shall constitute Committees as to ensure effective oversight of the functioning of the Exchange as mandated under the Companies Act, 2013, SEBI SECC Regulation and Circulars issued from time to time. Additionally, the Committees that are mandated for listed companies shall apply mutatis mutandis to Exchange. The Exchange shall lay down the policy for the frequency of meetings, quorum, etc., for the statutory committees. The meeting shall be conducted with atleast one public interest director being present except in the case of oversight committees wherein minimum 50% of the public interest directors need to be present. In the case of public interest directors committee, all public interest directors shall be present.

Independent external persons appointed to committees: The independent external persons shall be from amongst the persons of integrity, having a sound reputation and not having any conflicts of interests. They shall be specialists in the field of work assigned to the committee. The Exchange shall frame the guidelines for appointment, tenure, code of conduct, etc., of independent external persons. Extension of the tenure may be granted at the expiry of the tenure pursuant to a review of the contribution, record of attendance at meetings, etc.

The Exchange shall constitute the following Committees and such other Committees as may be statutorily required:-

Operational Committees

1. **Name of Committee:** Membership Selection Committee
Functions Handled: Selection/ admission of members to the various segments of the exchange.
Composition: (i) The public interest directors shall form a majority of the membership selection committee.
(ii) A maximum of two key management personnel of the exchange can be on the committee one of which shall necessarily be the Managing Director of the stock exchange.
(iii) The committee may also include independent external persons.
2. **Name of Committee:** Disciplinary Action Committee
Functions Handled: (i) The Committee shall formulate the policy for regulatory actions including warning, monetary fine, suspension, withdrawal of trading, expulsion, to be taken for various violations by the members of the exchange.
(ii) Based on the laid down policy, the Committee shall consider the cases of violations observed during inspection, etc and impose appropriate regulatory measure on the members of the exchange.
(iii) While imposing the regulatory measure, the Committee shall adopt a laid down process, based on the 'Principles of natural justice'.
Composition: (i) The disciplinary action committee shall comprise of public interest directors and exchange officials.
(ii) The public interest directors shall form a majority of the committee.
(iii) A maximum of two key management personnel of the exchange can be on the committee one of which shall necessarily be the Managing Director of the Exchange.
3. **Name of Committee:** Investor Grievance Redressal Committee (IGRC)
Functions Handled: To deal with the complaints referred to it by the stock exchange, hear the parties and resolve their complaints.
Composition: a. The IGRC shall comprise of a single person for claims upto Rs. 25 Lakh, whereas, for claims above Rs. 25 Lakh, the IGRC shall comprise of three persons.
b. The IGRC shall comprise of independent persons with qualifications in the area of law, finance, accounts, economics, management or administration and experience in financial services, including securities market.
c. Further, the three member Committee shall comprise of atleast one technical expert for handling complaints related to technology issues (such as internet based trading, algorithmic trading, etc).
d. The members of IGRC shall not be associated with a trading member in any manner.
e. The disclosures and code of conduct prescribed under para 3.4 and 4 of SEBI circular Ref. No CIR/MRD/DSA/24/2010 dated August 11, 2010, shall be applicable, as far as may be, to members of IGRC also.
4. **Name of Committee:** Defaulters' Committee
Functions Handled: (i) To realize all the assets / deposits of the defaulter/ expelled member and appropriate the same amongst various dues and claims against the defaulter/ expelled member in accordance with the Rules, Byelaws and Regulations of the Exchange.
(ii) In the event both the clearing member and his constituent trading member are declared defaulter, then the defaulter's committee of the stock exchange and the defaulter's committee of the clearing corporation shall work together to realise the assets of both the clearing member and the trading member.
(iii) Admission or rejection of claims of client/trading members/clearing members over the assets of the defaulter/expelled member.

(iv) Recommendation in respect of the claims to the Trustees of the IPF on whether the claim is to be paid out of IPF or otherwise.

Composition: (i) The public interest directors shall form a majority of the defaulter's committee.

(ii) A maximum of two key management personnel of the exchange can be on the committee.

(iii) The committee may also include independent external persons such as retired judge, etc.

5. **Name of Committee:** Compensation Committee

Functions Handled: (i) The compensation committee shall lay down the policy for compensation of key management personnel in terms of the compensation norms prescribed by SEBI.

(ii) The compensation committee shall determine the tenure of the key management personnel to be posted to a regulatory department.

(iii) The tenure of a key management personnel, other than a director, shall be for a fixed period, as may be decided by the compensation committee.

Composition: (i) The Committee shall comprise of a majority of public interest directors and shall be chaired by a public interest director.

(ii) Shareholder directors or any person appointed by the Board of Directors of the Exchange for such purpose may form the balance of the Committee.

6. **Name of Committee:** Selection Committee

Functions Handled: Committee for the selection of the Managing Director

Composition: The Selection Committee shall comprise of four persons i.e, two public interest directors and two independent external persons. In case of non-availability of adequate number of public interest directors or independent external persons, then the number of public interest directors or independent external persons as required could be increased accordingly to form the committee. Further, the Stock Exchanges shall ensure that one public interest directors shall be part of the selection committee and the meetings at all times.

Oversight Committees

7. **Name of Committee:** Standing Committee on Technology

Functions Handled: (i) To monitor whether the technology used by the exchange remains upto date and meets the growing demands of the markets.

(ii) To monitor the adequacy of systems capacity and efficiency.

(iii) To look into the changes being suggested by the exchange to the existing software/hardware.

(iv) To investigate into problems of computerised trading system, such as hanging/slowdown/breakdown.

(v) To ensure that transparency is maintained in disseminating information regarding slowdown/ breakdown in Online Trading System.

(vi) The Committee shall submit a report to the Board of Directors of the stock exchange. The Board will deliberate on the report and suitable action/remedial measure will be taken.

(vii) Any stoppage beyond five minutes will be explained and reported to the SEBI. The Exchange shall issue a press release specifying the reasons for the breakdown.

Composition: The Committee shall comprise of two outside experts proficient in technology and atleast one public interest director.

8. **Name of Committee:** Sub-Committee for Monitoring Compliance of suggestions given in SEBI inspection report

Functions Handled: (i) To review the actions taken to implement the suggestions of SEBI's Inspection Reports.

(ii) To place the same before the Board of Directors of the Exchange.

(iii) To follow up and ensure compliance/implementation of the inspection observations.

Composition: (i) The Committee shall comprise of a majority of public interest directors.

(ii) One shareholder director and

(ii) One key management personnel.

9. **Name of Committee:** Investor Services committee
Functions Handled: Supervising the functioning of Investors' Services Cell of the Exchange which includes review of complaint resolution process, review of complaints remaining unresolved over long period of time, estimate the adequacy of resources dedicated to investor services, etc.
Composition: (i) The investors services committee shall comprise of a majority of public interest directors.
(ii) The committee may also include independent external persons such as retired judge, etc.
10. **Name of Committee:** Public Interest Directors' Committee
Functions Handled: During their meetings, the Public Interest Directors shall review the following:
(i) Status of compliance with SEBI letters/ circulars.
(ii) Review the functioning of regulatory departments including the adequacy of resources dedicated to regulatory functions.
(iii) The public interest directors shall prepare a report on the working of the other committees where they are also the members. The report shall be circulated to the other public interest directors.
(iv) A consolidated report shall then be submitted to the Board of Directors the stock exchange.
(v) The public interest directors shall identify important issues which may involve conflict of interest for the stock exchange or may have significant impact on the market and report the same to SEBI.
Composition: All the public interest directors shall necessarily attend every meeting of the committee.
11. **Name of Committee:** Arbitration Committee
Functions Handled: (i) To select persons to be included in the Panel of Arbitrators (arbitration panel) to be formed by the Exchange in accordance with its Byelaws, Regulations and Circulars of SEBI Ref. No. CIR/MRD/DSA/24/2010 dated August 11, 2010.
(ii) To decide the formats, procedures and other requirements in respect of Exchange arbitration proceedings.
(iii) To estimate the adequacy of resources dedicated to arbitration.
Composition: (i) The Committee shall comprise of majority of public interest directors.
(ii) Shareholder directors may form the balance of the committee.
12. **Name of Committee:** Ethics Committee
Functions Handled: To oversee the implementation of the code of ethics. The ethics committee shall lay down procedures for the implementation of the code and prescribe reporting formats for the disclosures required under the code. The Compliance Officer shall execute the requirements laid down by the ethics committee.
Composition: The ethics committee shall comprise of public interest directors, shareholder directors, key management personnel and compliance officer.
13. **Name of Committee:** Independent oversight committee for Member regulation.
Functions Handled: (i) The committee shall oversee matters related to member regulation such as admission of members, inspection, disciplinary action, etc.
(ii) The head(s) of department(s) handling the above matters shall report directly to the committee and also to the managing director.
(iii) Any action of a recognised stock exchange against the aforesaid head(s) shall be subject to an appeal to the committee, within such period as may be determined by the Board of Directors.
(iv) The committee shall oversee SEBI inspection observations on membership related issues.
(v) To estimate the adequacy of resources dedicated to member regulation.

Composition: (i) The Committee shall be comprised of a majority of public interest directors and shall be chaired by a public interest director.
(ii) The balance shall be formed of independent outside experts.

14. **Name of Committee:** Independent oversight committee for trading and surveillance function.

Functions Handled: (i) The committee shall oversee trading and surveillance related functions such as monitoring of market through order and trade level alerts, security level alerts, processing of alerts, price band changes, rumour verifications, shifting of securities to trade for trade segment, detailed investigations undertaken, disciplinary actions, etc.

(ii) The head(s) of department(s) handling the above matters shall report directly to the committee and also to the managing director.

(iii) Any action of a Exchange against the aforesaid head(s) shall be subject to an appeal to the committee, within such period as may be determined by the Board of Directors

(iv) The committee shall oversee SEBI inspection observations on surveillance related issues and also decisions taken in the weekly surveillance meeting at SEBI.

(v) To estimate the adequacy of resources dedicated to trading and surveillance function.

Composition: (i) The Committee shall be comprised of a majority of public interest directors and shall be chaired by a public interest director.

(ii) The balance shall be formed of independent outside experts.

15. **Name of Committee:** Independent oversight committee for Product Design.

Composition: (i) The Committee shall be comprised of a majority of public interest directors and shall be chaired by a public interest director.

(ii) The balance shall be formed of independent outside experts.

16. **Name of Committee:** Advisory Committee

Functions Handled: To advise the Board of Directors on non-regulatory and operational matters including product design, technology, charges and levies.

Composition: The Committee shall comprise of trading members of the stock exchange. The chairperson of the Board of Directors shall be the head of the advisory committee and the managing director shall be a permanent invitee to every meeting of the advisory committee. The advisory committee shall meet at least four times a year with a maximum gap of three months between two meetings. The recommendations of the advisory committee shall be placed in the ensuing meeting of the Board of Directors of the Exchange for consideration and appropriate decision of the Board of Directors, and such recommendations along with the decision of the Board of Directors on the same, shall be disclosed on the website. Trading members shall not be part of any other committee of the Exchange

Prior to appointment to the advisory committee, the Board of Directors of the Exchange shall satisfy itself that the trading members are fit and proper persons in terms of regulation 20 of the SECC Regulations. The Board of Directors shall frame the eligibility norms, term of office, cooling off period etc., of members of the advisory committee in consultation with the trading members of the Exchange.

17. **Name of Committee:** Risk Management Committee

Functions Handled: (i) Formulate a detailed risk management policy which shall be approved by the Board of Directors.

(3) The head of the risk management department shall be responsible for implementation of the risk management policy and he shall report to the risk management committee and to the managing director of the Exchange.

(4) The risk management committee shall monitor implementation of the risk management policy and keep SEBI and the Board of Directors informed about its implementation and deviation, if any.

Composition: Public interest directors and independent external experts. The Committee shall report to the Board of Directors

Meetings of Committee how to be governed

157. The meetings and proceedings, of any Committee appointed pursuant to the preceding Article shall be governed by the provisions of these Articles for regulating the meetings and proceedings of the Directors, so far as the same are applicable thereto and are not superseded by any regulations made by the Directors under the last preceding Article.

Acts of Board or Committees valid notwithstanding defect of appointment

158. All acts done at any meeting of the Board or a Committee thereof or by any person acting as a Director, shall be valid notwithstanding that it may be afterwards discovered that the appointment of any one or more of such Directors or of any person acting as aforesaid, was invalid by reason of defect or disqualification or had terminated by virtue of any provision contained in The Act or these Articles; provided that nothing in this Article shall be deemed to give validity to acts done by a Director after his appointment has been shown to the Company to be invalid or to have terminated.

Circular Resolution

159. No resolution shall be deemed to have been duly passed by the Board or by a Committee thereof by circulation, unless the resolution has been circulated in draft, together with the necessary papers, if any, to all the Directors, or to all the members of the Committee then in India (not being less in number than the quorum fixed for a meeting of a Board or Committee, as the case may be) and to all other Directors or members, at their usual address in India and has been approved by such of the Directors as are then in India or by majority of such of them, as are entitled to vote on the resolution.

Minutes of proceedings of Directors and Committees.

160. The Company shall cause minutes of meetings of the Board of Directors and all Committees of the Board to be duly entered in a book or books provided for that purpose. The minutes shall contain

- (1) a fair and correct summary of the proceedings at the meeting;
- (2) the names of the Directors present at the meeting of the Board of Directors or of any Committee of the Board;
- (3) all orders made by the Board and Committee of the Board and all appointments of Officers and Committees of Directors;
- (4) all resolutions and proceedings of meetings of the Board and the Committees of the Board; and
- (5) in the case of each resolution passed at a meeting of the Board or Committee of the Board, the names of the Directors, if any, dissenting from, or not concurring in, the resolution.

By whom Minutes to be signed and the effect of such Minutes

161. The minutes of any meeting of the Board or any Committee of the Board, if purporting to be signed by the Chairman of such meeting or by the Chairman of the next succeeding meeting, shall for all purposes whatsoever, be evidence of the actual passing of the resolutions recorded and the actual and regular transaction or occurrence of the proceedings so recorded and of the regularity of the meeting at which the same appear to have taken place.

Provisions of the Act to be complied with by the Directors

162. The Directors shall also comply with the provisions of Section 159, 295, 297, 299, 303, 305, 307 and 308 of The Act to the extent applicable.

POWERS OF DIRECTORS

General powers of Company vested in Directors

163. Subject to the provisions of The Act and these Articles, the business of the Company shall be managed by the Directors who may exercise all such powers and do all such acts and things as the Company is by its Memorandum of Association or otherwise authorised to exercise and do and are not by these Articles or by statute directed or required to be exercised or done by the Company in General Meeting, but subject nevertheless to the provisions of The Act and of the Memorandum of Association and these Articles from time to time made by the Company in General Meeting provided that no such regulation shall invalidate any prior act of Directors which would have been valid if such regulation had not been made.

Certain powers to be exercised by Board at meeting only

164. The Board shall exercise the following powers on behalf of the Company, and it shall do so only by means of resolutions passed at its meetings :-

- (1) the power to make calls on shareholders in respect of money unpaid on their shares;
- (2) the power to issue debentures;
- (3) the power to borrow moneys otherwise than by debentures;
- (4) the power to invest the funds of the Company; and
- (5) the power to make loans;

Provided the Board may, by a resolution passed at a meeting delegate to any Committee of Directors, the Chairman, the Managing Director, the Whole-time Director or any other Officer or in the case of a Branch office of the Company, the Principal Officer of the Branch office of the Company, the powers specified in sub-articles (3), (4) and (5) above to the extent specified in Section 292 of The Act.

Consent of Company necessary for exercise of certain powers

165. The Board shall not, except with the consent of the Company in General Meetings:-

- (1) sell, lease or otherwise dispose of the whole, or substantially the whole, of the undertaking of the Company, or where the Company owns more than one undertaking, of the whole, or substantially the whole, of any such undertaking;
- (2) remit or give time for the re-payment of any debt due by a Director;
- (3) invest, otherwise than in trust securities, sale proceeds resulting from the acquisition, without the consent of the Company, of any such undertaking as is referred to in sub-article (1) above or of any premises or properties used for any such undertaking and without which it cannot be carried on or can be carried on only with difficulty or only after a considerable time;
- (4) borrow moneys where the moneys to be borrowed together with the money already borrowed by the Company, (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) will exceed the aggregate of the paid up capital of the Company and its free reserves, that is to say reserves not set apart for any specific purpose; or
- (5) contribute to charitable and other funds not directly relating to the business of the Company or the welfare of its employees, any amounts the aggregate of which will, in any financial year, exceed Rs. 50,000/- (Rupees fifty thousand only), or five percent of its average net profits as determined in accordance with the provisions of The Act during the three financial years immediately preceding, whichever is greater.

Specific powers given to Directors

166. Without prejudice to the general powers conferred by these Articles but subject to the provisions of The Act, it is hereby expressly declared that the Directors shall have the following powers: -

(1) to pay the costs, charges and expenses preliminary and incidental to the promotion, formation, establishment and registration of the Company,

(2) to have an Official Seal for use abroad,

(3) to keep Foreign Register in accordance with the provisions of The Act,

(4) to purchase or otherwise acquire for the Company any property rights or privileges which the Company is authorised to acquire at such price and generally on such terms and conditions as they may think fit.

To pay for property

(5) at their discretion to pay for any property or rights or privileges acquired by or services rendered to the Company, either wholly or partially in cash, or in shares, bonds, debentures, debenture stock or other securities of the Company, and any such shares may be issued whether as fully paid up or with such amount credited as paid up thereon as may be agreed upon; and any such bonds, debentures, debenture stock or other securities may be either specially charged upon all or any part of the property of the Company and its uncalled capital or not so charged,

To insure properties

(6) to insure and keep insured against loss or damage by fire or otherwise for such period and to such extent as they may think proper all or any part of the buildings, machinery, goods, stores, produce and other moveable property of the Company either separately or co-jointly; also to insure all or any portion of the goods, produce machinery and other articles imported or exported by the Company and to sell, assign, surrender or discontinue any policies of insurance effected in pursuance of this power.

To open bank accounts

(7) to open accounts with any bank or bankers or with any Company, firm or individual and to pay money into and draw money from any such account from time to time as the Directors may think fit.

To enter into and secure contracts

(8) to enter into all such negotiations and contracts and rescind and vary all such contracts and execute and do all such acts, deeds and things in the name and on behalf of the Company as they may consider expedient for or in relation to any of the matters aforesaid or otherwise for the purpose of the Company and to secure the fulfillment of any contracts or engagements entered into by the Company by mortgage or charge of all or any of the property of the Company and its unpaid capital for the time being in such other manner as they think fit.

To attach conditions

(9) to attach to any shares to be issued as the consideration or part of the consideration for any contract with or property acquired by the Company, or in payment for services rendered to the Company, such conditions as to transfer thereof as they think fit.

To accept surrender of shares, etc.

(10) to accept from any Member on such terms and conditions as shall be agreed a surrender of his shares or stocks or any part thereof.

To appoint Trustees

(11) to appoint any person or persons (whether incorporated or not) to accept and hold in trust for the Company any property belonging to the Company or in which it is interested, or for any other purposes and to execute and do all such acts and things as may be requisite in relation to any such trust and to provide for the remuneration of such trustee or trustees.

To institute and defend legal proceedings

(12) to institute, conduct, defend, compound or abandon any legal proceedings by or against the Company or its Officers or otherwise concerning the affairs of the Company, and also to compound and allow time for payment or satisfaction of any debt due or of any claims or demands by or against the Company.

To refer to arbitration

(13) to refer any claim or demand by or against the Company to arbitration and observe and perform the awards.

To act in matters of bankruptcy and insolvency

(14) to act on behalf of the Company in all matters relating to bankruptcy and insolvency.

To give receipts

(15) to make and give receipts, releases and other discharges for moneys payable to the Company and for the claims and demands of the Company.

To authorise execution of bills, etc.

(16) to determine, from time to time, who shall be entitled to sign on the Company's behalf bills, notes, receipts, acceptances, endorsements, cheques, dividend warrants, releases, contracts and documents.

To invest moneys

(17) to invest and deal with any of the monies of the Company not immediately required for the purposes thereof, in such securities and in such manner as they may think fit and from time to time to vary or realise such investments.

To give security by way of indemnity

(18) to execute in the name and on behalf of the Company in favour of any director or other person who may incur or be about to incur any personal liability for the benefit of the Company such mortgages of the Company's property (present and future) as they think fit, and any such mortgage may contain a power of sale and such other powers, covenants and provisions as shall be agreed upon.

To distribute bonus

(19) to distribute by way of bonus amongst the staff of the Company a share in the profits of the Company, and to give to any officer or other person employed by the Company a commission on the profits of any particular business or transaction and to charge such bonus or commission as part of the working expenses of the Company.

To give interest in particular business or transaction, etc.

(20) to give to any director, officer or other person employed by the Company an interest in any particular business or transaction or otherwise or a share in the general profits of the Company and such interest, commission or share of profits shall be treated as a part of the working expenses of the Company;

Provided that the share of general profits of the Company payable to the Directors or to the officer of the Company or such other person shall not exceed in the aggregate sum equivalent to (i) one percent of the net profits of the Company, if the Company has Managing or Whole-time Director or a Manager; (ii) three per cent of the net profits of the Company, in any other case, as determined in accordance with the provisions of Sections 349 and 350 of The Act;

Provided further that this limitation or restriction on the percentage of net profits shall not be applicable to any distribution of a general bonus to employees of the Company.

To provide for the welfare of employees, etc.

(21) to provide for the welfare of employees or ex-employees of the Company or its predecessors in business and the spouse, widow or widower, father (including step-father), mother (including step-mother), brother (including step-brother), sister (including step-sister), son (including step-son), daughter (including step-daughter), son's widow, daughter's widower, deceased son's children, deceased daughter's children or dependents of such employees or ex-employees, by building or contributing to the building of houses or dwellings or by grant of money, pensions, allowances, bonus, ex-gratia or other payments or by creating and from time to time subscribing or contributing to provident funds and other associations, institutions, funds or trusts and by providing or subscribing or contributing towards places of instruction and recreation, hospitals and dispensaries, medical and other attendances and to subscribe or contribute to or otherwise assist charitable, benevolent, national and or other institutions or objects.

To subscribe for Charitable fund, etc.

(22) to subscribe or guarantee money for any national, charitable, benevolent, public, general or useful object or for any exhibition or any institution, club, society or fund.

To set aside sums for Reserves, create Reserve Fund, etc.

(23) before recommending any dividend, to set aside, out of the profits of the Company, such sums as the Directors may think proper for depreciation or to a depreciation fund or as reserve or to a reserve fund or sinking fund or any special fund to meet contingencies or to redeem debentures or for repairing, improving, extending and maintaining any part of the property of the Company or for such other purposes as the Directors may in their absolute discretion think conducive to the interests of the Company, and the Directors may invest the several sums so set aside or so much thereof as required to be invested upon such investments (subject to the restrictions imposed by The Act) as the Directors may think fit; and from time to time deal with and vary such investments and dispose of and apply and expend all or any part thereof for the benefit of the Company, in such manner and for such purposes as the Directors (subject to such restrictions as aforesaid) in their absolute discretion think conducive to the interests of the Company notwithstanding that the matters to which the Directors apply or upon which they expend the same, or any part thereof may be matters to or upon which the capital moneys of the Company might rightly be applied or expended; and the Directors may divide the reserve or any fund into such special funds and transfer any sum from one fund to another as the Directors may think fit, and may employ the assets constituting all or any of the above funds, including the depreciation fund, in the business of the Company or in the purchase or repayment of debentures and that without being bound to keep the same separate from the other assets, and without being bound to pay interest on the same, with power, however, to the Directors at their discretion to pay or allow to the credit of such fund interest at such rate as the Directors may think proper.

To appoint officers, etc.

(24) to appoint and at their discretion remove or suspend such committee or committees of experts, technicians, or advisers or such Managers, Officers, clerks, employees, and agents for permanent, temporary or special services as they may, from time to time, think fit, and to determine their powers and duties and fix their salaries and emoluments and require security in such instances and to such amounts as they may think fit, and also without prejudice as aforesaid, from time to time to provide for the management and transaction of the affairs of the Company in any specified locality in India in such manner as they think fit and the provisions contained in sub-articles (25) and (26) following shall be without prejudice to the general powers conferred by this sub-article.

To ensure compliance of local laws

(25) to ensure compliance of the requirements of any local law, which in their opinion, shall in the interest of the Company be necessary or expedient to comply with.

To establish local boards

(26) From time to time and at any time, to establish any Local Board for managing any of the affairs of the Company in any specified locality in India or elsewhere and to appoint any persons to be members of any Local Boards and to fix their remuneration. And from time to time

and at any time, but subject to provisions of Section 292 and 293 of The Act and of these Articles, to delegate to any person so appointed any of the powers, authorities and discretions for the time being vested in the Directors, and to authorise the members for the time being of any such Local Board, or any of them to fill up any vacancies therein and to act notwithstanding vacancies and any such appointment or delegation may be made on such terms and subject to such conditions as the Directors may think fit, and the Directors may at any time remove any persons so appointed, and may annul or vary any such delegations. Any such delegates may be authorised by the Directors to sub-delegate all or any of the powers, authorities and discretions for the time being vested in them.

To appoint attorneys

(27) to appoint, at any time and from time to time but subject to the provisions of Section 292 of The Act and these Articles, by Power of Attorney, any persons to be the attorney or attorneys of the Company for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Directors under these Articles) and for such period and subject to such conditions as the Directors may, from time to time, think fit and any such appointment (if the Directors think fit) may be made in favour of the Members or in favour of any company or the Members, Directors, nominees or managers of any company or firm or otherwise in favour of any fluctuating body of persons whether nominated directly or indirectly by the Directors, and any such power of attorney may contain such powers for the protection or convenience of persons dealing with such attorney as the Directors may think fit.

To formulate schemes, etc.

(28) to formulate, create, institute or set up such schemes, trusts, plans or proposals as they may deem fit for the purpose of providing incentive to the officers, employees and workers of the Company including without limiting the generality of the foregoing, formulation of schemes for the subscription by the officers, employees and workers to shares in, or debentures of, the Company.

Delegation of powers

(29) subject to the provisions of The Act and these Articles, to delegate the powers, authorities, and discretion vested in the Directors to any person, firm, company or fluctuating body or persons as aforesaid.

Sub-Delegation of powers by Delegates

(30) any such delegatee or attorney as aforesaid may be authorised by the Directors to sub-delegate all or any of the powers authorities and discretion for the time being vested in him.

Powers of the Board

167 (1) The Board shall have power to organise, maintain, control, manage, regulate and facilitate the operations of the Exchange(s) and of commodities transactions by trading members of the Exchange subject to the provisions of these Articles and of the SCRA Act and the Rules framed thereunder.

(2) Subject to the provisions of these Articles and of the SCRA Act and the Rules framed thereunder or any Directives by the SEBI, the Board shall have power and wide authority to make Rules, Bye-laws and Regulations from time to time, for any or all matters relating to the conduct of the business of the Exchange, the business and transactions of trading members between trading members inter se as well as between trading members and persons who are not trading members, and to control, define and regulate all such transactions and to do such acts and things which are necessary for the purposes of the Exchange or of the Company.

(3) Without prejudice to the generality of the foregoing, the Board shall have power to make Rules, Bye-laws and Regulations, amongst other purposes, for all or any of the following matters:-

- (a) Conditions for admission to membership of the Exchange;
- (b) Conduct of business of the Exchange;

- (c) Conduct of trading members with regard to the business of the Exchange, including all matters relating to all transactions in commodities of all kinds and all contracts which have been made subject to Rules, Bye-laws, Regulations or Usage of the Exchange;
 - (d) Form and conditions of contracts to be entered into, and the time, mode and manner of performance of contracts between trading members inter se or between trading members and their constituents;
 - (e) Conditions and levy for admission of commodities for dealings on the Exchange;
 - (f) Time, place and manner for transacting business on the Exchange;
 - (g) Penalties for disobedience or contravention of the Rules, Bye-laws and Regulations or of general discipline of Exchange, including expulsion or suspension of the trading members;
 - (h) Declaration of any trading member as defaulter or suspension, or resignation or exclusion from trading membership of the Exchange and of consequences thereof;
 - (i) Scale of commission or brokerage which trading members can charge;
 - (j) Conditions, levy for admission or subscription for admission to or continuance for trading membership of Exchange;
 - (k) Charge payable by trading members for transactions in such scrips, commodities, their derivatives, etc as may be laid down from time to time;
 - (l) Investigations of the financial condition, business conduct and dealings of trading members;
 - (m) Settlement of disputes, complaints, claims arising between trading members and persons who are not trading members inter se as well as between trading members and persons who are not trading members relating to any transaction in commodities made subject to the Rules, Bye-laws and Regulations and usage of the Exchange including settlement by arbitration in accordance with the Rules, Bye-laws and Regulations and usage of the Exchange in force from time to time;
 - (n) Establishment and functioning of Clearing House(s) or other arrangements for clearing;
 - (o) Appointment of Committee or Committees for any purposes of the Exchange.
- (4) The Board shall be empowered to delegate to Executive Committee(s) or to any person, all or any of the powers vested in it, to manage all or any of the affairs of Exchange.
- (5) Subject to the provisions of these Articles and of the SCRA Act and the Rules framed thereunder any directives from the SEBI, the Board shall be empowered to vary, amend or repeal or add to Rules, Bye-laws and Regulations framed by it.

EXECUTIVE COMMITTEE

168. (1) The Board shall constitute, and empower one or more Executive Committee(s), to manage the whole or part of the affairs of the Exchange.

(2) The composition and the maximum strength of the Executive Committee shall be such as may be prescribed in the Rules of the Exchange from time to time.

(3) The Managing Director of the Company shall be the ex-officio Chairman of the Executive Committee and Chief Executive of the Exchange.

(4) The Board may give such directives from time to time, in relation to the conduct of the affairs of the Exchange, and such directives shall be binding upon the Exchange and the EC(s). If at any time the Board is satisfied that circumstances exist which render it necessary in public interest to do so, the Board may supersede and/or dissolve the Executive Committee and appoint and reconstitute a new Executive Committee with such powers and on such terms as the Board may in its discretion think fit.

(5) The Executive Committee may subject to the terms and conditions of delegations by the Board and to the extent of such delegation exercise all such powers and do all such acts and things as may be exercised or done by the Board.

SECRETARY

Appointment and removal of Secretary

169. The Directors may from time to time appoint a secretary to perform any functions, which by The Act are to be performed by the Secretary and to execute any other ministerial or administrative duties, which may from time to time be assigned to the secretary by the Directors and at their discretion remove any such Secretary. The Directors may also at any time appoint any person or persons (who need not be the Secretary) to keep the register required to be kept by the Company; provided that if the paid up capital of the Company shall exceed prescribed limits then in such event, the Company shall appoint a Whole time Secretary as provided in Section 383-A of The Act and he shall possess such qualifications as may be prescribed from time to time by the rules made under Section 2(45) of The Act.

THE SEAL

The Seal, its custody and use

170. The Directors shall provide a Common Seal for the purpose of the Company and shall have power from time to time to destroy the same and substitute a new seal in lieu thereof, and the Directors shall provide for the safe custody of the Seal for the time being, and the Seal shall never be used except by or under the authority of the Directors or a Committee of Directors and in the presence of one Director, the Secretary or any other person who may be authorised in this regard at the least, who shall sign every instrument to which the Seal is affixed; provided that certificates of shares and debentures may be under the signatures of such persons as provided by the Companies (Issue of Share Certificates) Rules, 1960 in force from time to time. Save as otherwise expressly provided by The Act, a document or proceeding requiring authentication by the Company may be signed by a Director, or the Secretary or any other Officer authorised in that behalf by the Board and need not be under its Seal.

Seal abroad

171. The Company may exercise the powers conferred by Section 50 of The Act and such powers shall accordingly be vested in the Directors.

DIVIDENDS

Division of profits

172. The profit of the Company, subject to any special rights relating thereto created or authorised to be created by the Memorandum of Association or these Articles and subject to the provisions of The Act and these Articles, shall be divisible among the Members in proportion to the amount of capital paid up in the shares held by them respectively.

Capital paid up in advance at interest not to earn dividend

173. Where capital is paid up in advance of calls upon the footing that the same shall carry interest, such capital shall not, whilst carrying interest, confer a right to dividend or to participate in profits.

Dividends in proportion to amount paid up

174. The Company may pay dividends in proportion to the amount paid up or credited as paid up on each share, where a larger amount is paid up or credited as paid up on some shares than on others.

The Company in General Meeting may declare a dividend

175. The Company in Annual General Meeting may declare a dividend to be paid to the Members according to their respective rights and interests in the profits and may fix the time for payment.

Dividend to be paid out of profits

176. (1) No dividend shall be declared or paid otherwise than out of profits of the financial year arrived at after providing for depreciation in accordance with the provisions of Section 205 of The Act or out of the profits of the Company for any previous financial year or years arrived at after providing for depreciation in accordance with those provisions and remaining undistributed or out of both provided that ;

(a) if the Company has not provided for depreciation for any previous financial year or years, it shall before declaring or paying dividend for any financial year provide for such depreciation out of the profits of that financial year or out of the profits of any other previous financial year or years;

(b) if the Company has incurred any loss in any previous financial year or years, the amount of the loss or an amount which is equal to the amount provided for the depreciation for that year or those years, whichever is less, shall be set off against the profits of the Company for which the dividend is proposed to be declared or paid or against the profits of the Company for any previous financial year or years, arrived at in both the cases after providing for depreciation in accordance with the provisions of sub-section (2) of Section 205 of The Act or against both.

(2) The Company shall not pay any dividend on its shares until all its capitalised expenses (including preliminary expenses, organisational expenses, share selling commission, brokerage, amounts of losses incurred and any other item of expenditure not represented by tangible assets) have been completely written off.

(3) Notwithstanding anything to the contrary contained in sub-article (2) or in The Act, the Company may pay dividends on its shares without writing off :

(a) the depreciation, if any, in the value of its investments in approved securities in any case where such depreciation has not actually been capitalised or otherwise accounted for a loss;

(b) the depreciation, if any, in the value of its investments in the shares, debentures or bonds (other than approved securities) in any case where adequate provision for such depreciation has been made to the satisfaction of the auditor of the Company.

No larger dividend than recommended by Directors, etc.

177. No larger dividend shall be declared than is recommended by the Directors but the Company in General Meeting may declare a smaller dividend, subject to the provisions of Section 205 of The Act, and no dividend shall carry interest as against the Company. The declaration of the Directors as to the amount of the net profits of the Company in any year shall be conclusive.

Interim dividend

178. The Directors may, from time to time, pay to the Members such interim dividends as, in their judgement, the position of the Company justifies.

Retention of dividends until completion of transfer.

179. The Directors may retain the dividends payable upon shares in respect of which any person is entitled to transfer until such person shall become a Member in respect of such shares.

No Member to receive dividend while indebted to the Company and Company's right of reimbursement thereof

180. Subject to Section 205 of The Act, no Member shall be entitled to receive payment of any interest or dividend in respect of his share or shares, whilst any money may be due or owing from him to the Company in respect of such share or shares of or otherwise howsoever, either alone or jointly with any other person or persons, and the Directors may deduct from the interest or dividend payable to any Member all sums of money so due from him to the Company.

Right to dividend only on registration of transfer of shares

181. A transfer of shares shall not pass the right to any dividend declared thereon before the registration of the transfer.

Special provision with reference to dividend

182. No dividend shall be payable except in cash; provided that nothing in this Article shall be deemed to prohibit the capitalisation of profits or reserves of the Company for the purpose of issuing fully paid up bonus shares or paying up any amount for the time being unpaid on any shares held by the Members of the Company.

Dividends how remitted

183. Any dividend payable in cash may be paid by cheque or warrant sent through the post to the registered address of the Member or in case of joint holders to that one of them first named in the Register in respect of the joint holding. Every such cheque shall be made payable to the order of the person to whom it is sent. The Company shall not be liable or responsible to any cheque or warrant lost in transit or for any dividend lost to the Member or person entitled thereto by the forged endorsement of any cheque or warrant or the fraudulent or improper recovery thereof by any other means.

Unclaimed or unpaid dividends

184. (1) If a dividend declared by the Company has not been paid or claimed within thirty days from the date of declaration to any shareholder entitled to the payment of the dividend, the Company shall within seven days from the date of expiry of the said period of thirty days, open a special account in that behalf in any Scheduled Bank called "The Unpaid Dividend Account of National Commodity & Derivatives Exchange Limited" and transfer the total amount of such dividend remaining unpaid or unclaimed, to such Account.

Explanation: In this Sub-Article, the expression "dividend which remains unpaid" means any dividend the warrant in respect of which has not been encashed or which has otherwise not been paid or claimed.

(2) Any money transferred to the unpaid dividend account of the Company which remains unpaid or unclaimed for a period of seven years from the date of such transfer, shall be transferred by the Company to the Fund established under sub-section (1) of section 205C of The Act.

Dividends and call together

185. Subject to Section 205A of The Act, any General Meeting declaring a dividend may make a call on the Members in respect of moneys unpaid on shares for such amount as the meeting fixes so that the call on each Member shall not exceed the dividend payable to him and so that the call be made payable at the same time as the dividend, and the dividend may, if so arranged between the Company and the Members, be set off against the call.

PURCHASE OF ITS OWN SECURITIES

Buy back of own shares

186. Notwithstanding anything contained in these Articles, the Company may, when and if thought fit, buy back such of the Company's own shares or securities as it may think necessary, subject to such limits, upon such terms and conditions, and subject to such approvals, as may be required under the provisions of The Act.

CAPITALISATION

Capitalisation

187. (1) Any General Meeting may resolve that any moneys, investments or other assets forming part of the undivided profits, [including profits or surplus moneys arising from the realisation and (where permitted by law) from the appreciation in value of any capital assets of the Company], standing to the credit of the Reserve or Reserve Fund or any other Fund of the Company or in the hands of the Company and available for dividend or representing premium received on the issue of shares and standing to the credit of the securities premium account be capitalised:

(a) by the issue and distribution of fully paid up shares, debentures, debenture-stock, bonds or other obligations of the Company, or

(b) by crediting shares of the Company which may have been issued to and are not fully paid up with the whole or any part of sum remaining unpaid thereon.

(2) Such issue and distribution under clause (a) of sub-article (1) of this Article and such payment to the credit of unpaid share capital under clause (b) of sub-article (1) of this Article shall be made to among and in favour of the Members or any class of them or any of them entitled thereto and in accordance with their respective rights and interests and in proportion to the amount of capital paid up on the shares held by them respectively in respect of which such distribution under clause (a) of sub-article (1) of this Article or payment under clause (b) of sub-article (1) of this Article shall be made on the footing that such Members become entitled thereto as capital.

(3) The Directors shall give effect to any such resolution and apply such portion of the profits of Reserve or Reserve Fund or any other Fund on account as aforesaid and may be required for the purpose of making payment in full for the shares, debentures or debenture-stock, bonds or other obligations of the Company so distributed under clause (a) of sub-article (1) of this Article or, as the case may be, for the purpose of paying in whole or in part, the amount remaining unpaid on the shares which may have been issued and are not fully paid up under clause (b) of sub-article (1) of this Article; provided that no such distribution or payment shall be made unless recommended by the Directors and if so recommended, such distribution and payment shall be accepted by such Members as aforesaid in full satisfaction of their interest in the said capitalised sum. For the purpose of giving effect to any such resolution, the Directors may settle any difficulty which may arise in regard to the distribution or payment as aforesaid as they think expedient and, in particular, they may issue fractional certificates and may fix the value for distribution of any specific assets and may determine that cash payments be made to any Members on the footing of the value so fixed and may vest any such cash shares, debentures, debenture-stock, bonds or other obligations in trustees upon such trusts for the person entitled thereto as may seem expedient to the Directors and generally may make such arrangements for the acceptance, allotment and sale of such shares, debentures, debenture-stock, bonds or other obligations and fractional certificates or otherwise as they may think fit.

(4) Subject to the provisions of The Act and these Articles, in cases where some of the shares of the Company are fully paid up and others are partly paid up only, such capitalisation may be effected by the distribution of further shares in respect of the fully paid up shares, and by crediting the partly paid up shares with the whole or part of the unpaid liability thereon but as between the holders of the fully paid-up shares, and the partly paid up shares, the sums so applied in the payment of such further shares and in the extinguishment or diminution of the liability on the partly paid up shares shall be so applied pro rata in proportion to the amount then already paid or credited as paid on the existing fully paid up and partly paid up shares respectively. When deemed

requisite, a proper contract shall be filed in accordance with The Act and the Board may appoint any person to sign such contract on behalf of the holders of the shares of the Company which shall have been issued prior to such capitalisation and such appointment shall be effective.

ACCOUNTS

Accounts

188. The Directors shall cause true accounts to be kept of (1) all sums of money received, expended by the Company and the matters in respect of which such receipt and expenditure take place; (2) all sales and purchases of goods by the Company and (3) the assets, credits and liabilities of the Company, and generally of all its commercial, financial and other affairs, transaction and engagement and of all other matters, necessary for showing the true financial state and condition of the Company, and the accounts shall be kept in English and in the manner as the Directors may deem fit. The books of accounts shall be kept at the Registered Office or such other place or places in India as the Directors may think fit and shall be open to inspection by the Directors during business hours.

Inspection by Members of accounts and books of the Company

189. The Directors shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations the accounts and books of the Company or any of them shall be open to the inspection of Members not being Directors and no Member (not being a Director) shall have any right of inspecting any Account or book or document of the Company except as conferred by law or authorised by the Directors or by the Company in the General Meeting.

Statement of Accounts and Report to be furnished to General Meeting

190. The Directors shall place before the Company in the Annual General Meeting a Profit and Loss Account for the period since the preceding account and a Balance Sheet containing a summary of the property and liabilities of the Company made up to a date not more than 6 months before the date of meeting, or in case where an extension of time has been granted for holding the meeting, not more than 6 months as aforesaid and the extension so granted, and every such Balance Sheet shall as required by Section 217 of The Act, be accompanied by a Report (to be attached thereto) of the Directors as to the state and condition of the Company, and as to the amount, if any, which they recommended to be paid, out of the profits, by way of dividend and the amount, if any, set aside by them for the Reserve Fund, General Reserve or Reserve Account shown specifically in the Balance Sheet or to be shown specifically in a subsequent Balance Sheet.

Form and contents of Balance Sheet and Profit and Loss Account

191. Every Balance Sheet and Profit and Loss Account of the Company shall give a true and fair view of the state of affairs of the Company and shall, subject to the provisions of Section 211 of The Act, be in the Forms set out in Parts I and II respectively of Schedule VI of The Act, or as near thereto as circumstances admit or in such other format as may be approved by the Central Government.

Authentication of Balance Sheet and other documents; Copies thereof to be sent to Members

192. (1) The Balance Sheet and the Profit and Loss Account shall be signed by the Manager or Secretary, if any, and by not less than two Directors of the Company, one of whom shall be a Managing Director where there is one or when only one Director is for the time being in India, by such Director and Manager or Secretary. The Balance Sheet and the Profit and Loss Account shall be approved by the Board before they are signed on behalf of the Board in accordance with the provisions of this Article and before they are submitted to the Auditor for their report thereon. The Auditors' Report shall be attached to the Balance Sheet and the Profit and Loss Account or there shall be inserted at the foot of the Balance Sheet and Profit and Loss Account a reference to the Report.

(2) A copy of such Balance Sheet and the Profit and Loss Account so audited together with a copy of the Auditors' Report shall, at least twenty one days before the meeting at which the same are to be laid before the Members of the Company, subject to the provisions of Section 219 of The

Act, be sent to every Member of the Company, to every debenture-holder whose address the Company is aware and a copy of the same shall be deposited at the Office for inspection by the Members of the Company during a period of at least twenty one days before that meeting.

Copies of Balance Sheet and Profit and Loss Account and Auditors' Report shall be filed with the Registrar of Companies

193. After the Balance Sheet and Profit and Loss Account have been laid before the Company at a General Meeting, three copies thereof signed by the Manager or Secretary or if there be none of these, by a Director as required by Section 220 of The Act, shall be filed with the Registrar of Companies together with the requisite Returns in accordance with the requirements of Section 159 and 161 of The Act.

AUDIT

Accounts to be audited

194. Once at least in every year the accounts of the Company shall be balanced and audited and the correctness of the Profit and Loss Account and Balance Sheet ascertained by one or more Auditors.

Appointment of First Auditor

195. The first Auditor or Auditors of the Company shall be appointed by the Board within one month of the date of registration of the Company and the Auditor or Auditors so appointed shall hold office until the conclusion of the first Annual General Meeting, provided that the company may, at a General Meeting remove any such auditor or all such auditors and appoint in his or their place any other person or persons who have been nominated for appointment by any member of the Company and of whose nomination notice has been given to the members of the Company not less than fourteen days before the date of the meeting. If the Board fails to appoint the first Auditors as provided under this Article, the Company in General Meeting may appoint the first Auditor or Auditors.

Appointment and qualification of Auditors

196. The Company at each Annual General Meeting shall appoint an Auditor or Auditors being Chartered Accountant or Accountants to hold office until the next Annual General Meeting and the following provisions shall have effect, that is to say:

(1) If an appointment or re-appointment of an Auditor or Auditors is not made at an Annual General Meeting, the Company shall, within seven days thereof, give notice of the fact to the Central Government, who may appoint an Auditor of the Company for the current year and fix the remuneration to be paid to him by the Company for his services.

(2) The Directors may fill up any casual vacancy that may occur in the office of Auditor by the appointment of a person or persons being a Chartered Accountant or Accountants, who shall hold such office until the conclusion of the next Annual General Meeting but while any such vacancy continues, the surviving or continuing Auditor or Auditors, if any, may act; provided that where such vacancy is caused by the resignation of the Auditor, the vacancy shall only be filled by the Company in General Meeting.

(3) A body corporate, an officer or employee of the Company, or a partner of or person in the employment of such an officer or employee or any person, indebted to the Company for an amount exceeding One Thousand Rupees or who has given any guarantee or provided any security in connection with the indebtedness of any third person to the Company for an amount exceeding One Thousand Rupees and a person holding any security of the company carrying voting rights shall not be appointed Auditor of the Company.

(4) If any person after being appointed Auditor becomes disqualified under sub-article (3), he shall be deemed to have vacated his office.

(5) Retiring Auditors shall, subject to the provisions of sub-section (2) of Section 224 of The Act, be reappointed.

(6) No person other than a retiring Auditor shall be capable of being appointed to the office of Auditor at any Annual General Meeting unless special notice of a resolution for appointment of that person to the office of Auditor has been given by a Member to the Company, not less than fourteen days before the meeting, in accordance with Section 190 of The Act and all other provisions of Section 225 of The Act shall be complied.

Remuneration of Auditors

197. The remuneration of the Auditors of the Company shall be fixed by the Company in the Annual General Meeting except that the remuneration of Auditors appointed to fill any casual vacancy, may be fixed by the Directors and where his appointment has been made by the Central Government pursuant to sub-article (1) of the Article 196, it may be fixed by the Central Government.

Auditors: their powers, duties and their Report

198. Every Auditor of the Company shall have a right of access, at all the times, to the books and accounts and vouchers of the Company and shall be entitled to require from the Directors and officers of the Company, such information and explanations as may be necessary for the performance of the duties of the Auditors and the Auditors shall make a report to the Shareholders on the accounts examined by them, and on every Balance Sheet and Profit and Loss Account and every other document declared by The Act to be part of or annexed to the Balance sheet or Profit and Loss Account, which are laid before the Company in General Meeting during their tenure of office, and the report shall state whether, in their opinion and to the best of their information and according to the explanations given to them, the said accounts give the information required by The Act in the manner so required and give a true and fair view:- (1) in the case of the Balance Sheet, of the state of the Company's affairs as at the end of its financial year and (2) in the case of the Profit and Loss Account, of the profit or loss for its financial year. The Auditors' Report shall also state:- (a) whether they had obtained all the information and explanations which to the best of their knowledge and belief were necessary for the purpose of their audit; (b) whether, in their opinion, proper books of account as required by law have been kept by the Company so far as it appears from the examination of those books and proper returns adequate for the purpose of their audit have been received from the branches not visited by them; and (c) whether the Company's Balance Sheet and Profit and Loss Account dealt with by the Report are in agreement with the books of account and returns, (d) whether, in his opinion, the profit and loss account and balance sheet comply with the accounting standards referred to in sub-section (3C) of section 211 of The Act, where any of the matters referred to in items (1) and (2) or (a), (b), (c) and (d) aforesaid is answered in the negative or with a qualification, the Auditors' Report shall state the reason for the same. The Auditors' Report shall be attached to the Balance Sheet and Profit and Loss Account or set out at the foot thereof and such Report shall be read before the Company in Annual General Meeting and shall be open to inspection by any Member of the Company.

Auditors' right to attend Meetings

199. All notices of, and other communications relating to, any General Meeting of the Company which any Member of the Company is entitled to have sent to him, shall also be forwarded to the Auditors of the Company and the Auditors shall be entitled to attend any General Meeting and to be heard at any General Meeting which they attend or any part of the business which concerns them as Auditors.

Accounts when audited and approved to be conclusive except as to errors discovered within 3 months

200. Every account when audited and approved by an Annual General Meeting shall be conclusive, except as regards any error discovered therein within three months after the approval thereof. Whenever any such error is discovered within that period, the account shall forthwith be corrected and thenceforth shall be conclusive.

NOTICE

Notice

201. (1) A notice (which expression for the purposes of these Articles shall be deemed to include any summons, notice, process, order, judgement or any other document in relation to or in the winding up of the Company) may be given by the Company to any Member either personally or by sending it by post to him to his registered address, or if he has no registered address in India, to the address, if any, within India supplied by him to the Company for giving of notices to him.

(2) Where a document (which shall for this purpose be deemed to include any summons, requisition, process, order, judgement or any other documents in relation to the winding up of the Company) or a notice is sent by post, the service of such notice shall be deemed to be effected by properly addressing, pre-paying and posting a letter containing the notice; provided that where a Member has intimated to the Company in advance that documents should be sent to him under a certificate of posting or by registered post, with or without acknowledgement due, and has deposited with the Company a sum sufficient to defray the expenses of doing so, service of the document or notice shall not be deemed to be effected unless it is sent in the manner intimated by the Member, and unless the contrary is proved, such service shall be deemed to have been effected in the case of a notice of a meeting at the expiry of forty eight hours after the letter containing the same is posted, and in any other case, at the time at which the letter would have been delivered in the ordinary course of post.

Notice to Members having no registered address

202. If a Member has no registered address in India and has not supplied to the Company an address within India for the giving of notices to him, a notice advertised in a newspaper circulating in the neighbourhood of the Office shall be deemed to be fully given to him on the day on which the advertisement appears.

Advertisement

203. Subject to the provisions of The Act, any document required to be served or sent by the Company on or to the members or any of them, and not expressly provided for by these Articles, shall be deemed to be duly served or sent, if advertised once in one daily English and one daily vernacular newspaper circulating in Maharashtra.

Service of notice to first of joint holders

204. A document or notice may be served or given by the Company on or to the joint holders of a share by serving or giving the document or notice on or to the joint holder named first in the Register of Members in respect of such share.

Persons entitled to notice of General Meetings

205. (1) Notice of every General Meeting shall be given in same manner hereinbefore authorised to (a) every Member of the Company (including bearers of share warrants), (b) every person entitled to a share in consequence of the death or insolvency of a Member who, but for his death or insolvency, would be entitled to receive notice of the meeting and also to (c) the Auditor or Auditors of the Company.

(2) A Notice may be given by the Company to the persons entitled to a share in consequence of the death or insolvency of a Member by sending it through the post or in a prepaid letter addressed to them by name or by the title of representatives of the deceased or assignee of the insolvent or by any like descriptions at the address, if any, in India supplied for the purpose by the persons claiming to be so entitled or (until such an address has been so supplied) by giving the notice in any manner in which the same might have been given if the death or insolvency had not occurred.

Notice by Company and signature thereon

206. Any notice to be given by the Company shall be signed by the Secretary, if any, or by such officer as the Directors may appoint. Such signature may be written, printed or lithographed.

Service of notice on Company

207. All document or notices to be served or given by a member on or to the Company or any officer thereof shall be served or given by sending it to the Company or officer at the office by post under a certificate of posting or by registered post, or by leaving it at the office.

Transferee bound by prior notice

208. Every person, who by operation of law, transfer or other means whatsoever, shall become entitled to any share, shall be bound by every notice in respect of such share, which previously to his name and address and title to the share being notified to the Company, shall have been duly given to the person from whom he derives his title to such share.

Notice valid though Member deceased

209. Subject to the provisions of The Act, any notice given in pursuance of these Articles or documents delivered or sent by post to or left at the registered address of any Member or at the address given by him in pursuance of these Articles, shall notwithstanding such Member be then deceased and whether or not the Company has notice of his decease be deemed to have been duly served in respect of any registered share, whether held solely or jointly with other persons by such Member until some other persons be registered in his stead as the holder or the joint holder thereof, and such service shall for all purposes of these Articles be deemed a sufficient service of such notice or document on his or her heirs, executors or administrators and all persons, if any, jointly interested with him or her in any such share.

Authentication of Documents

210. Save as otherwise expressly provided in The Act, or these Articles a document or proceedings requiring authentication by the Company may be signed by a Director or Secretary or any officer authorised by the Board of Directors in this regard and need not be under its seal.

SECRECY CLAUSE

Secrecy Clause

211. No member shall be entitled to require discovery of or any information respecting any detail of the Company's business or trade or any matter which may be in the nature of a trade secret, mystery of trade or secret process which may relate to the conduct of the business of the Company and which in the opinion of the Directors, will be inexpedient in the interest of the Members of the Company to communicate to the public.

INDEMNITY AND RESPONSIBILITY

Directors and others' right to indemnity

212. (1) Subject to the provisions of Section 201 of The Act, every Director of the Company, the Chairman, Managing Director, Wholetime Director, Manager, Secretary and other officer or other employees for the time being of the Company, if any, for the time being acting in relation to any of the affairs of the Company and every one of them shall be indemnified by the Company against and it will be the duty of the Directors to pay, out of the funds of the Company, all bonafide costs, losses and expenses (including travelling expenses) which any such Director, Chairman, Managing Director, Wholetime Director, Manager, Secretary, officer or employee may incur or become unable to, by reason of any contract entered into or act or deed done by him as such Director, Chairman, Managing Director, Wholetime Director, Manager, Secretary, officer or employee or in any way in the discharge of his duties.

(2) Subject as aforesaid, every Director or the Chairman, Managing Director, Wholetime Director, Manager, Secretary, officer or employee of the Company shall be indemnified against any liability incurred by him in defending any proceedings, whether civil or criminal instituted against him as such Director, Chairman, Managing Director, Wholetime Director, Manager, Secretary, or officer of the Company in which judgement is given in his favour or in which he is acquitted or in connection with any application under Section 633 of The Act in which relief is given to him by the Court.

(3) Save and except so far as the provisions of this Article shall be avoided by Section 201 of The Act, none of them shall be answerable for the acts, receipts, neglects or defaults of the other or other of them, or for joining in any receipt for the sake of conformity, or for insolvency of any bankers or other persons with whom any moneys or effects belonging to the Company shall or may be lodged or deposited for safe custody or for the insufficiency or deficiency of any security upon which any moneys belonging to the Company shall be placed out or invested or for any other loss, misfortune or damage which may happen in the execution of their respective offices or trusts or in relation thereto, except when the same shall happen by or through their own willful neglect or default respectively.

(4) Subject to the provisions of Section 201 of The Act, no Director or other officer of the Company shall be liable for the acts, receipts, neglect or default of any other Director or officer of the Company or for joining in any receipt or other act for conformity for any loss or expenses happening to the Company through the insufficiency or deficiency to title to any property acquired by the order of the Director for or on behalf of the Company or for the insufficiency or deficiency of any security in or upon which any of the moneys of the Company shall be invested or for any loss or damage arising from the bankruptcy, insolvency or tortuous act or any person with whom any moneys, securities or effects shall be deposited or for any loss occasioned by any error of judgement or oversight on his part, or for any other loss, or damage whatsoever, which shall happen in the execution of the duties of his office or in relation thereto unless the same happens through his own negligence or dishonesty.

WINDING UP

Distribution of assets on winding up

213. (1) If the Company shall be wound up and assets available for distribution among the Members as such shall be insufficient to repay the whole of the paid-up capital, such assets shall be distributed so that, as nearly may be, the losses shall be borne by the Members in proportion to the capital paid-up, or which ought to have been paid up at the commencement of the winding up, on the shares held by them respectively and if in a winding up the assets available for distribution among the Members shall be more than sufficient to repay the whole of the capital paid-up at the commencement of the winding up, the excess shall be distributed amongst the Members in proportion to the capital, at the commencement of the winding up, paid up or which ought to have been paid up on the shares held by them respectively; provided, however, nothing contained in this Article shall prejudice the rights of the holders of shares issued upon special terms and conditions.

Manner of distribution of assets

(2) (a) If the Company shall be wound up, whether voluntarily or otherwise, the Liquidator may with the sanction of special resolution or any other sanction required by The Act, may/shall divide among the contributories, in specie or in kind, the whole or any part of the assets of the Company and may, with like sanction, vest the whole or any part of the assets of the Company in trustees upon such trusts for the benefit of the contributories or any of them, as the Liquidator, with the like sanction shall think fit.

(b) If thought expedient, any such division may, subject to the provisions of The Act, be otherwise than in accordance with the legal rights of the contributories (except where unalterably fixed by the Memorandum of Association) and, in particular, any class may be given preference or special rights or may be excluded altogether or in part, but, in case any division otherwise than in accordance with the legal rights of the contributories shall be determined, any contributory, who would be prejudiced thereby, shall have a right to dissent and ancillary rights as if such determination were a special resolution passed pursuant to Section 494 of The Act.

(c) In case any shares to be divided as aforesaid involve a liability to calls or otherwise any person entitled under such division to any of the said shares may within 10 days after the passing of the Special Resolution by notice in writing direct the liquidators to sell his portion and pay him the net proceeds and the liquidators shall, if practicable, act accordingly.

We, the several persons whose names, addresses, descriptions as hereunto subscribed, are desirous of being formed into a company in pursuance of these Articles of Association.

Sr. No.	Name, address and description of the Subscribers	Signature(s)	Signature, Name, Address, Description and Occupation, if any, of the witness
1.	ICICI Bank Limited ICICI Bank Towers, Bandra Kurla Complex, Bandra (East) Mumbai 400 051. Represented by its Senior General Manager Mr. Puranam Hayagreeva Ravikumar S/o. Late Mr. Puranam Venkata Subrahmanyam Occupation : Commercial Banking	ICICI Bank Ltd. Sd./- Authorised Signatory	
2.	Life Insurance Corporation of India Central Office Yogakshema, Jeevan Bima Marg, P.B. No. 19953 Mumbai 400 021. Represented by its Chief – Investments, Mr. Vasudeo Rajaram Galkar, S/o. Mr. Rajaram Narayan Galkar Occupation : Life Insurance	For Life Insurance Corporation of India Sd./- Authorised signatory For National Bank for Agriculture and Rural Development	
3.	National Bank for Agriculture and Rural Development Plot No. C-24, G Block, Bandra Kurla Complex, Bandra (East) Mumbai 400 051. Represented by its Chairman, Mr. Yogesh Chand Nanda S/o. Mr. Tek Chand Nanda Occupation : Financing of Agriculture & Rural Development	Sd./- Chairman For National Stock Exchange of India Limited Sd./- J. Ravichandran Company Secretary & Sr. Vice President	Witness to all subscribers Sd./-
4.	National Stock Exchange of India Limited Exchange Plaza, Plot C-1, Block G, Bandra Kurla Complex, Bandra (East), Mumbai 400 051. Represented by its Sr. Vice President & Company Secretary, Mr. J. Ravichandran S/o. Mr. S. Jagannathan Occupation : Stock Exchange		Bharat Ramakant Upadhyay 313, Shri Saidham Co-op. Hsg. Society, 90 Feet Raod, Ghatkopar (East), Mumbai – 400 077. Occupation : Practising Company Secretary
5.	Narendra Kumar Gupta S/o. Mr. Biharidass, R/O A-204, Mercury, Vasanth Galaxy, Bangur Nagar, Goregaon (West), Mumbai 400 090. Occupation : Service	Sd./-	
6.	Mr. J. Ravichandran S/o. Mr. S. Jagannathan 703, NEAT House, Road No. 86, Dadar (West), Mumbai 400 028. Occupation : Service	Sd./-	
7.	Bhashyam S S/o. Mr. K. Seshan B-403, Riviera Building, Opp. Sai Gardens, Akurli Road, Lokhandwala Township, Kandivili (East) Mumbai 400 101. Occupation : Service	Sd./-	

Date : April 17, 2003
Place : Mumbai

Date:- September 20, 2016
Place: - Mumbai

Sd/-
Samir Shah
Managing Director & CEO

Serial No. M-16202

THE COMPANIES ACT, 1956
COMPANY LIMITED BY SHARES
MEMORANDUM OF ASSOCIATION
OF
MULTI COMMODITY EXCHANGE OF INDIA LIMITED

I. The name of the Company is MULTI COMMODITY EXCHANGE OF INDIA LIMITED.

II. The Registered Office of the Company will be situated in the State of Maharashtra.

III. The objects for which the Company is established are: -

A. THE MAIN OBJECTS OF THE COMPANY TO BE PURSUED BY THE COMPANY ON ITS INCORPORATION ARE:

1. ¹ To establish, operate, regulate, maintain and manage facilities in Mumbai and elsewhere in India and abroad enabling the members of the Exchange, their authorized agents and constituents and other participants to transact, clear and settle trades done on the Exchange in different types of contracts in commodities and other instruments and derivatives thereof, in futures markets and to provide accessibility to the markets to various members of the Exchange and their authorized agents and constituents and other participants within and/ or outside India, and to provide, initiate, facilitate and undertake all support services relating thereto as per the Articles of Association, Bye-Laws, Rules and Regulations of the Exchange."

B. THE OBJECTS INCIDENTAL OR ANCILLARY TO THE ATTAINMENT OF THE MAIN OBJECTS ARE:

2. To apply for and obtain from Securities and Exchange Board of India and/or Reserve Bank of India and / or any other authority, recognition of the Exchange as a recognized commodity exchange or an exchange for securities or any other instrument for the purpose of organising, managing and facilitating the business of dealing in contracts of commodities, securities and other instruments and their derivatives as per the Articles, Bye-Laws, Rules and Regulations of the Exchange as may be framed from time to time.
3. To frame, amend and enforce the Articles, Bye-Laws, Rules and Regulations defining and regulating the terms and conditions subject to which the business on the Exchange as outlined in these presents shall be transacted from time to time.
4. To make arrangement through appropriate arbitration, survey, laboratory testing or other methods a mechanism for resolving disputes and to decide all questions of trading methods, practices, usages, customs or courtesies for conduct of business of the Exchange, and also to provide for suitable forms of contracts for trading in futures markets in different commodities, securities and instruments and derivatives thereof, decided to be traded or allowed for trading at the Exchange.
5. To form other company or companies or subsidiaries for carrying out the operations of company or for carrying out some business or operation ancillary or incidental or expedient in the interests of Company and also to outsource some of the activities of company to such or other companies.
6. To levy, charge, recover and receive security deposits, admission fees, transaction and clearing fees, fund subscriptions, margins, penalties, tolls and levies and any other fee and/or sums from Members

¹ Amendment approved by the shareholders through Postal Ballot on June 18, 2014 (date of declaration of postal ballot results) and by the erstwhile Forward Markets Commission (FMC) vide its letter No.2/11/2013-MD-I dated June 26, 2014.

of the Exchange and registered non-members of the Exchange in terms of the Company's Articles of Association, Rules, Bye-Laws and Regulations.

7. To regulate and fix the scale of commission, brokerage and other charges to be charged by the Members of the Exchange from their constituents and others.
8. To facilitate resolution of disputes by various means including mediation, conciliation, arbitration, surveys, laboratory testing and to nominate arbitrators, umpires and surveyors on such terms and in such cases as may seem expedient, and to set up regional or local arbitration or survey panels and appellate committee and to provide for rules and methods for arbitration of disputes and claims in respect of transactions relating to or arising out of or in connection with or pertaining to transactions effected on the Exchange and including arbitration of disputes between Members of the Exchange inter-se and/or between Members of the Exchange and persons who are not the Members of the Exchange; and to remunerate such arbitrators, surveyors, regional or local arbitration panels and appellate committee / members, if any, and to make rules, Bye-Laws and regulations in relation to such arbitration and survey proceedings, the fees of arbitrators, the costs of such arbitration, and to define and regulate related matters, and to regulate the procedures thereof and enforce all awards.
9. To acquire, collect, preserve, disseminate, or sell statistical or other information in connection with the business of the Company, to maintain a library and to print, publish, undertake, manage and carry on any newspaper, journal, magazine, pamphlet, official yearbook, or other work in connection with or in furtherance of the objects of the Company.
10. To test, develop, improve or elevate the technical and business knowledge of persons engaged in or about to be engaged in trade, industry, banking, commerce, finance or company administration/and in particular in the business of the Company for dealing in contracts for commodities, securities or other instruments and derivatives, or in connection therewith, by organising for delivery of lectures, holding of classes, courses, seminars and the like, and to test by examination or otherwise the competence of such person(s) and to award certificates and diplomas and to institute and establish scholarships, grants and other benefication and to set up or form any technical or other educational institution and to run, manage or administer it.
11. To subscribe for becoming a member in, or to co-operate with, any other association or entity, whether incorporated or not, in India or abroad, whose objects are to promote the interests represented by the Company so as to advance the general commercial and trade interests and to procure from and communicate to such association or entity such information as may further the objects of the Company.
12. To take membership of any Commodity Exchange or any other Exchange, directly or indirectly, in India or abroad, for furthering the business of the Members of the Exchange and that of the Company.
13. To take part in the management of, or set up a research, testing or training division and/or to act as consultants or advisors for the setting up and organizing of Exchanges in India or abroad and to enter into association with any other Exchange in India or abroad whether by subscription or on co-operation principle for furthering the objects of the Company.
14. To enter into partnership or arrangements in the nature of partnership, co-operation or union of interest, with any person or entity, engaged or interested or about to become engaged or interested in the carrying on, or conduct, any business which this company is authorized to carry on or conduct or from which the company could or might derive any benefit whether directly or indirectly.
15. To appoint trustee(s) to hold on behalf of and to protect the interest of the Company or further the objects of the Company.
16. To amalgamate or merge with any entity, or allow amalgamation or merger of any entity with this Company, for the purpose of furthering the objects of this Company.
17. To form, constitute, promote, manage, subsidize, organize, or assist in forming, constituting, promoting, managing, subsidizing, organizing entities of all kinds, for the purpose of acquiring any

undertaking or any property, whether movable or immovable, whether with or without liability of such undertaking for advancing directly or indirectly the objects hereof and to take or otherwise hold and dispose of shares, debentures and other securities in or of any such undertaking and to subsidize or otherwise assist or manage or own any such entity.

18. To do business in India and abroad either as principals, agents, trustees, contractors, or otherwise alone or in conjunction with others and either by or through agents, contractors, trustees or otherwise for the attainment of the objects of the Company.
19. To own, establish or have and maintain offices, branches and agents, in or out of India for its business.
20. To construct, develop, maintain and alter any lands, buildings, constructions or works necessary or convenient for the objects and purposes of the company.
21. To exercise all or any of its corporate powers, rights and privileges and to conduct its business in any or all states, territories, possessions, colonies and dependencies thereof in India and in any foreign country.
22. To subscribe, contribute, make donations or grants or guarantee money for any general or useful object and to aid any association, body or movement, subject to compliance with the provisions of the Companies Act, 1956.
23. To establish and support, or assist in the establishment and support of any fund, trust and convenience calculated to advance and further the objects and purposes of the Company in particular, and the commodity, capital and financial markets in general, including markets in commodity products.
24. To make payments or disbursements out of the funds or other movable property of the Company for deploying surplus funds of the Company or for any of the purposes specified in these presents and Articles of Association and Rules, Bye-laws and Regulations of the Exchange and to make, draw, accept, endorse, discount, execute or transfer instruments, warrants, debentures or other negotiable or transferable documents.
25. To borrow, raise loans in any form, create indebtedness, to receive, grants or advances (whether interest free or not) equity loans, or raise any moneys required for the objects and purposes of the Company upon such terms and in such manner and with or without security as may from time to time be determined, by the issue of debentures, debentures stocks, and/or other securities. Any person claiming payment, whether on account of principal or interest or otherwise in respect of the moneys so borrowed or raised shall be entitled to claim such payment out of the funds, properties and other assets of the Company which alone shall be deemed to be liable to make good all claims and demands whatsoever under and in respect of the moneys so borrowed or raised, and not the personal funds, property and other assets of the members of Board of Directors or Members of the Company, or their successors and assigns, who shall not be deemed to have incurred any personal liability or render themselves or himself personally subject or liable to any claim or demand.
26. To invest, lend or advance the moneys of the Company not immediately required in or upon such security and with or without interest and in such other investments as may be, from time to time, determined by the Company or the Board of Directors under the provisions of the Companies Act, 1956.
27. To make experiments alone or jointly with others with a view to improving the Company's business and further to procure the incorporation, registration or other recognition of the Company in any country, State, or place, and to establish and regulate agencies for the purpose of the Company's business.
28. To enter into any arrangement or agreement with any person, firm, company or entity, either Indian or Foreign, for the purpose of collaboration with such person, firm, company or entity in any business or transaction capable of being conducted so as to directly or indirectly benefit this Company.

29. To acquire, purchase, take over assets, businesses or undertakings of other companies or entities, which may conveniently or advantageously be combined with the business of the Company.
30. To remunerate (by cash or other assets or by the allotment of fully or partly shares or by call on shares, debentures, debenture-stock or securities of this or any other company or in any other manner) whether out of the Company's capital, profits or otherwise, to any person, firm, company or entity for services rendered or to be rendered to the Company or for assisting to place or guaranteeing the subscription of any shares, debentures, debenture-stock or other securities of the Company or for any other reason, which the Company may think proper, subject to the provisions of the Companies Act, 1956.
31. To ensure or guarantee the settlements on the Exchange, payment of advances, margins, credits, settlements on the Exchange, and other commercial obligations or commitments of such description as well as the fulfilment of contracts and other trading and commercial transactions of such description, and to indemnify any person against the same as may be determined by the Board from time to time.
32. To guarantee the payment of money secured by or payable under or in respect of any debentures, debenture stock, bond, mortgage charge, security, contract or obligation of any person, persons or corporation or any authority.
33. To apply for, purchase, or otherwise acquire, any patent, trademark, copyright, brevet, invention, license concession, and the like, conferring an exclusive or non-exclusive or limited right to use any secret or other information, which may seem capable of being used for any of the purposes of the Company, and to use, exercise, develop or grant licenses in respect of the aforesaid.
34. To open current accounts and/or other accounts with any bank, to pay money into and draw money from such accounts.
35. To establish, provide, maintain and conduct research and training centres by engaging on remuneration necessary technical, research, teaching and administration personnel in pursuit of the objects of the company or otherwise subsidize research laboratories, experimental stations, workshops and libraries for researches, experiments and tests of all kinds and to undertake and carry out research and investigations, to process, improve and invent new and better techniques and methods and products and to improve or secure any process, patent, copy-right which the Company may acquire or deal with and to promote and publish studies, researches, surveys and investigations, either independently by the company or by providing, subsidizing, endowing or assisting laboratories, schools, colleges, universities, workshops, libraries, lectures, meetings, exhibitions and conferences and by providing for the remuneration of scientists, scientific or technical personnel or teachers, research workers and inventors, or generally to encourage, promote and reward studies, researches, experiments, tests and inventions of any kind which may be considered likely to assist any of the objects of the Company.
36. To promote, sponsor, undertake and carry out rural development, including any program for promoting the social and economic welfare of, or the upliftment of the people in any rural area and to incur any expenditure on any program or rural development and to assist promotion or execution thereof, either directly or through an independent agency or by making contributions or giving donations or in any other manner.
37. To procure the registration, incorporation or recognition of the Company under the laws or regulations of any Country.
38. To employ experts to investigate and examine into the condition, management prospects, value, character and circumstances of any business, concern and undertaking.
39. To undertake and execute any trusts for the benefit of employees and also to undertake the office of trustees for debenture-holders or debenture-stock holder of a Company and to appoint trustees to hold securities on behalf of and to protect the interests of the Company.

40. To obtain any provisional order or Act of the Government for enabling the Company to carry any of its objects or for effecting any modification of the Company's constitution.
41. To enter into arrangements with any Government or Authority, and to obtain from any of them any rights, privileges and concessions, which the Company may think necessary or desirable for furtherance of its objects.
42. To distribute any of the Company's property among the members in specie on the event of winding-up, subject to the provisions of the Companies Act, 1956.
43. To establish competitions in respect of information suitable for insertion in any publication or otherwise for any of the purposes of the Company, and to offer and grant prizes, rewards, gifts and premiums of such character and on such terms as may seem expedient.
44. To receive any gift of immovable or movable property and offering or voluntary donation or bequest and legacy from any person or entity for all or any of the objects of the Company/with or without any specific conditions/ provided such receipts or the conditions attached are not inconsistent with the objects of the Company. All such gifts, donations, grants, offerings, legacies and bequests, including land, buildings and other immovable properties, shall be treated as forming part of the property of the Company and shall be applied accordingly.
45. To provide for the welfare of the employees or ex-employees, directors or ex-directors of the Company and wives, and families or the dependents of such persons, by grant of money/pension, allowances, bonus or other payments or by creating and from time to time subscribing or contributing to provident fund and other associations, institutions, trusts and by providing or subscribing towards medical or other assistance as the Company shall think fit and to subscribe or to contribute or otherwise assist charitable, benevolent, national and/or other institutions or objects.
46. To provide for and furnish or secure to any subscriber or purchaser or processor of any publication of the Company, or of any coupon or ticket issued with any publication of the Company, any convenience, advantage, benefit, or special privilege which may seem expedient.
47. To pay all costs, charges and expenses incurred or sustained in or about the promotion, incorporation and establishment of the Company or which the Company shall consider being preliminary out of the funds of the Company.
48. To refer to or agree to refer any claim, demand, dispute or any other question by or against the Company or in which the Company is interested or concerned, and whether between the Company and the member or members or his or their representatives, or between the Company and third parties, to arbitration and to observe and perform and to do all acts, matters and things to carry out or enforce the awards, subject to the Articles of Association, Rules, Bye-Laws and Regulations of the Exchange.
49. To apply for, promote, and obtain any statute, order, regulation or other authorizations or enactment which may seem calculated directly or indirectly to benefit the Company and to oppose any bills, proceedings, or applications.
50. To sell, dispose or transfer the business property and undertaking of the Company, or any part thereof for any consideration which the Company may deem fit to accept.
51. To obtain know-how in order to utilize it or provide the same in India and abroad, and grant such know-how on such terms and conditions as may be beneficial to the Company, and to establish, maintain, conduct, provide, procure or make available all types of services and to take such steps as may be necessary for the purpose of examining, inspecting, and carrying out tests for the purpose of market research in respect of any project.
52. To purchase, take on lease or in exchange, hire and otherwise acquire and maintain any lands, buildings, and easements, or any immovable or movable property, patents, licenses, rights and privileges which the Company may think necessary or convenient for the purpose of its business and to pay for the same either in cash or in shares or securities and to sell, let, lease or under lease or

otherwise dispose of or grant right over any movable or immovable property, rights and privileges belonging to the Company.

53. To adopt such means of making known the business or particular transactions in which the Company is interested, as may seem expedient, and in particular by advertising in the press, by circular, by purchase and exhibition of works of interest, by publication of books and periodicals and by granting prizes, rewards, etc.
54. To take part in the supervision or control of the business or operation of any company or undertaking doing similar or related business.
55. To effect all such insurance in relation to the carrying on of the Company's business and any risks incidental thereto as may seem expedient, and if thought fit, to join or become a members of any mutual insurance Company or to carry a part or the whole of such insurance risk in connection with the Company's business.
56. To promote any Company or companies for the purpose of acquiring all or any of the property right and liabilities of this Company for carrying on any business which this Company is authorized to carry on or for any other purposes which may seem directly or indirectly calculated to benefit this Company or to promote or advance the interest of this Company.
57. To act as technical and management consultants in relation to all aspects of data processing, data processing systems, computer systems, application and system software, process control systems, computers and all the branches of computer science in India and abroad and further act as agents for Indian and International entities providing the equipment and services in the areas of management science and computer science and to buy, sell, import, export, hire, lease, install, maintain and use equipment and accessories, know-how and services, software and hardware related to all the aspects of management services and computer science.
58. To cater, prepare, evolve, buy, sell, information technology solutions to any industry by providing, software, hardware, local area-wide area, connectively and net working, off shore information technology projects – consultancy, value added, reseller or software systems and solutions and consultancy, and to act as software developer, buyer, seller, exporter and importer.
59. To act as custodian or depository of warehouse receipts of all kinds, by itself or in association with or through any other company or person or department or authority for purposes of storage in any form.
60. To establish and maintain or to arrange or appoint agents, to establish and maintain clearing house for the objects and purposes of the Company or maintain a holding and clearing corporation, depository clearing house or establish and maintain division and to control and to regulate the working and administration thereof.
61. To act as trustees of any deeds constituting or securing any debentures, debentures stocks of other securities or obligations and to undertake and execute any other trusts and also undertake the office of or exercise the powers of executors, administrators, receiver, custodian and trust corporation.
62. To constitute any trust with a view to issue preferred and deferred or any other special stocks, securities certificates or other documents based on or representing any shares, stocks, securities certificates or other documents or other assets appropriated for the purpose of any such trust and to settle and regulate, and if required, to undertake and execute any such preferred, deferred or other special stocks, securities, certificates or documents.
63. To use the distribution network and systems infrastructure of the company, independently or in association with the Members of the Exchange, or other intermediaries and to support agencies and institutions, to distribute various products and services, within the country and outside, for a fee or charge or otherwise, to further the objects of the company and use its investment, reach and penetration most optimally.

C OTHER OBJECTS:

64. To buy, to sell, to deal in, to manufacture, to distribute, to market, in computer hardware, computer software, computer parts, components, appliances, configurations, cabling, networking of information systems, integration, converging, development erection, installation, creation of information systems, computer systems for voice, mail, digital, electronic and electrical transfer of data, voice and such upgrading and designing of information systems relating to computers, e-commerce, e-Business, e-trade networking, web, etc.
65. To give on hire or lease or sell or dispose off the undertaking property and assets of the Company, or any part thereof in such manner and for such considerations as the Company, may think fit and to improve, manage, develop, exchange, lease, dispose off, turn to account or otherwise deal, with all or any part of the property or rights of the company.
66. To undertake and carry on agency and/or representation work of any kind and in particular to act as managers, agents, distributors and representatives of any firm or company established in India or abroad with a view to assist them in objects similar to the objects of this company.
67. To act as service organization or bureau for providing advice and services in various fields-general, administrative, secretarial, consultancy, commercial, financial, legal, economic, labour, industrial, public relations, scientific, technical, direct and indirect taxation and other levies, statistical, accountancy, quality control and data processing.
68. To acquire, hold, sell and to let on hire purchase, lease, rent any metals, bullion, gold, silver, silver articles, diamonds, precious stones ornaments and objects and jewellery and paintings and coins and manuscripts and objects of art and pay for same either in cash or otherwise.
69. To get affiliations/recognition from various universities, institutes from India and abroad.
70. To carry on the business as proprietors and publishers of newspapers, journals, magazines, books and other literary works and undertaking.
71. To carry on the business of transport contractors, warehouse agents, operators, for commodities, goods, and to act as surveyors, shipping, chartering, forwarding agents and contractors, agents, cargo superintendents, packers and haulers as warehousemen and proprietors of warehouses, as fleet owners, coach and auto-hirers and other vehicle proprietors, garage proprietors, engineers and electricians, and to act as agents and contractors and to construct / equip, facilitate storage and to provide for convenience of all kinds, and to construct, equip, maintain works, purchase and let on hire vehicles of transport for the carriage of goods and as general carriers and forward carriers by all means of transport by land, sea, inland waterways, pipeline and air and as storage of goods, wares, merchandise of every kind and description whatsoever and to purchase or otherwise acquire any lands, docks, canals, waterways, warehouses, wharves, buildings or machinery and to construct and equip the same purchase, take on charter any ships, tugs, barges, motor trucks, motor lorries, motor cars, heavy duty vehicles including tempos, matadors, station wagons, or any other vehicles or vessels of any description or kind and to make, work, equip and maintain railway and establish and carry on an agency, and booking office and to act as customs clearing agents.
72. To carry on the business of undertaking and setting up projects on turn key basis.
73. To develop, acquire, buy, sell, give or otherwise deal in know-how management systems and to act as consultants, and advisers in the above fields, either by charging fees for the same or by obtaining royalty or in any other form in India or abroad.
74. To construct, build, equip, own and maintain and to carry on business as keepers of cold storage, storage chambers, ice-plants, go-downs, tanks, silos, vaults, depositories, warehouses, refrigerators, freezing houses and room coolers for any commodity.
75. To engage in or carry on anywhere in India or abroad the business of warehousing, transporting and carriage of goods and to provide storage, testing, quality certification, and protection of goods against insects, ants, rats, moisture, rain, fire and other natural or man-made calamities.
76. To act as agents, sales organizers consultants, and advisers in all the respective branches and in such capacity to give advice and information and render services to persons, firms, companies, authorities

or Government, which may be given or rendered that may lead to or be conducive to sales and marketing of goods; and rendering of all services, whether incidental to the above or not.

77. To do all other acts and functions as may be directly or indirectly associated with or incidental to or in consonance with the aforesaid objects of the Company.

IV The Liability of the Members of the company is limited.

- V ² The Authorised Share Capital of the Company is Rs. 700,000,000 (Rupees Seventy Crores) divided into 70,000,000 (Seven Crores) equity shares of ³ Rs. 10/- (Rupees ten) each with the power to increase and / or reduce the capital, to divide the shares in the capital for the time being into several classes and to attach thereto such preferential, deferred, qualified or special rights, privileges or conditions in such manner as may be determined by or in accordance with the regulations of the Company and to vary, modify or abrogate any such rights, privileges or conditions in such manner as may be permitted by the Act or by the regulations of the Company and consolidate or subdivide the shares and issue shares of higher or lower denominations.

² The authorized capital of Rs.500,000 comprising of 50,000 equity shares of Rs. 10 each was increased as under:

- to Rs. 110,000,000 pursuant to a resolution of shareholders at EGM held on March 17, 2003
- to Rs. 180,000,000 pursuant to a resolution of shareholders at EGM held on February 27, 2004.
- to Rs. 300,000,000 pursuant to a resolution of shareholders at EGM held on April 3, 2004
- to Rs. 500,000,000 pursuant to a resolution of shareholders at EGM held on February 5, 2005.
- the authorised capital of Rs. 500,000,000 comprising 50,000,000 equity shares of Rs. 10 each was sub-divided to Rs. 500,000,000 comprising 100,000,000 Equity Shares of Rs. 5 each at the AGM held on September 1, 2007.
- to Rs. 700,000,000 pursuant to a resolution of shareholders at AGM held on September 30, 2010.

³ the authorised capital of Rs. 700,000,000 comprising 140,000,000 equity shares of Rs. 5 each was consolidated to Rs. 700,000,000 comprising 70,000,000 Equity Shares of Rs. 10 each at the EGM held on March 14, 2011.

We the several persons whose name, addresses and descriptions are hereunder, subscribed below are desirous of being formed into a Company in pursuance to this MEMORANDUM OF ASSOCIATION and we respectively agree to take this number of shares in the Capital of the Company set opposite to our respective names: -

Name, Address, Description and occupation of each Subscriber	Number of Equity Shares taken by each subscriber	Signature of Subscriber	Signature of Witness and his name, address, description & occupation
HARIHARAN VAIDYALINGAM S/o. V. VAIDYALINGAM SHARMA A3-62, MAHINDRA GARDENS, Adj. to PATKAR COLLEGE, S. V. ROAD, GOREGAON (W) MUMBAI - 400 062. OCCUPATION - SERVICE	5,000 [FIVE THOUSAND]	Sd/-	WITNESS TO SUBSCRIBER NO. 1 TO 2 Sd / - KETAN M. SHAH S/o MAHENDRAKUMAR H. SHAH 12, Damodar Niwas,
RINSY ANSALAM, S/o. ATHIPOZHYYIL HENRY ANSY ATHIPOZHYYIL HOUSE ARTHINKAL POST CEHRTALA, ALAPUZHA, KERALA - 688530 OCCUPATION - SERVICE	5,000 [FIVE THOUSAND]	Sd/-	
	10,000 [TEN THOUSAND]		

Dated: 17th day of April 2002

Place: Mumbai

Place : Mumbai

Date : September 19, 2016

Sd/-

Ajay Puri,
Company Secretary.

Serial No. M-16203

THE COMPANIES ACT, 1956
PUBLIC COMPANY LIMITED BY SHARES
ARTICLES OF ASSOCIATION
OF
MULTI COMMODITY EXCHANGE OF INDIA LIMITED

TABLE A NOT TO APPLY

1. The Regulations contained in Table 'A' of the First Schedule to the Companies Act, 1956 shall not apply to the Company except in so far as they are embodied in the following Articles.

Applicability of the provisions of the SECC Regulations, Procedural Norms of SEBI, Listing Regulations, SCRA, SCRR, SEBI Act, etc.

2. The Company, its shareholders, prospective investors, stakeholders, directors, key managerial personnel, heads of departments, trading members, clearing members, their associates, agents, Authorised Persons, clients and all others dealing with the Company shall be bound by the provisions of SECC Regulations, Procedural Norms of SEBI, Listing Regulations, SCRA, SCRR, SEBI Act (terms hereinafter defined) and directions, notifications, guidelines, circulars, letters, directions, mandates, suggestions, advisory, etc., of SEBI as issued or amended from time to time as though they have been incorporated herein.

Any amendment and/or modification to these Articles of Association would be with the prior approval of SEBI, besides complying with other relevant regulatory requirements.

No provision of the Articles of Association of the Company shall operate in contravention of any provisions of SCRA, SCRR, SEBI Act, Rules, Regulations and circulars, etc., issued by SEBI from time to time.

INTERPRETATION CLAUSE

Interpretation

3. a. Unless the context otherwise requires, words or expressions contained in these Articles shall bear the same meaning as in the Companies Act, 1956 or any statutory modification thereof in force on the date on which the Articles become binding on the Company.

Marginal notes/sub-headings

- b. The marginal notes/sub-headings hereto are inserted for convenience and shall not affect the construction hereof.

Definitions

4. In these presents unless thereby something in the subject or context inconsistent therewith:
- a. 'The Act' or 'The Companies Act' means the Companies Act, 1956 and includes where the context so admits any re-enactment or statutory modification thereof for the time being in force
- b. 'Annual General Meeting' means a general meeting of the Members of the Company held in accordance with the provisions of Section 166 of the Companies Act, 1956 and any adjourned meeting thereof.
- c. 'Articles' or 'These Articles' or 'These Presents' means these Articles of Association of the Company.

- d **‘Associate’** in relation to a person shall include another person:
- (i) who, directly or indirectly, by himself, or in combination with other persons, exercises control over the first person;
 - (ii) who holds more than fifteen per cent shares in the paid up equity capital of the first person;
 - (iii) who is a holding company or a subsidiary company of the first person;
 - (iv) who is a relative of the first person;
 - (v) who is a member of a Hindu Undivided Family wherein the first person is also a member;
 - (vi) such other cases where the SEBI is of the view that a person shall be considered as an associate based on the fact and factors including the extent of control, independence, conflict of interest.’
- e **‘Auditors’** means and include those persons appointed as ‘Auditors’ for the time being by the Company.
- f **‘Board of Directors’** means and includes the ‘Board of Directors’ or the “Council of Management” or the “Governing Board” or the “Board of Multi Commodity Exchange” or ‘the Board’, by whatever name called, vested with the general powers of management and superintendence and having complete jurisdiction over all members of the Exchange and all matters contained in these Articles, various provisions under the Rules, Byelaws and Regulations and directives/ circulars of the Exchange, and over the commodities or securities or any other instruments, which are traded on the Exchange.
- g **‘Body corporate’** has the meaning assigned thereto by Section 2(7) of the Companies Act, 1956, and shall include a Company incorporated in India. The words ‘Body Corporate’ and ‘Company’ are used interchangeably.
- h **‘Capital’** means the share capital for the time being raised or authorised to be raised for the purpose of the Company.
- i **‘Chairman’** and **‘The Chairman’** means the Chairman of the Board of Directors for the time being of the Company.
- j **‘Clearing House’** means the clearing house operating for clearing and settlement of any transactions/ contracts in any commodity including derivatives of such contracts, security or instrument and is approved by the Company/Exchange.
- k **‘Company’** or **‘The Company’** or **‘This Company’** or **‘MCX’** means **MULTI COMMODITY EXCHANGE OF INDIA LIMITED** (‘MCX’).
- l **‘Contract’** means a contract for or relating to the purchase or sale of securities and which is specifically approved by SEBI for trading on the Exchange.
- m **‘Debenture’** includes Debenture Stock.
- n **‘Director’** means the Director for the time being of the Company and member of the Board of Directors of the company.
- o **‘Exchange’** means the Multi Commodity Exchange of India Limited and the premises and/or the system for executing transactions in commodity derivatives or any other products/securities that are permitted and/or approved by SEBI.

- p **‘Extraordinary General Meeting’** means a general meeting of the Members of the Company other than Annual General Meeting, duly called and constituted and any adjourned holding thereof.
- q **‘General Meeting’** means a meeting of the Members of the Company.
- r **‘Goods’** mean every kind of movable property other than actionable claims, money and securities.
- s **‘In writing’** or ‘Written’ includes handwriting, typewriting, printing, lithography, fax, downloading through computers, broadcast through the Trading System, e-mail and/or other modes of representing or reproducing words in visible form.
- t **‘Member of the Exchange’** means a person, a sole proprietary firm, a partnership firm, a limited liability partnership, a company, a cooperative society, a body corporate, a public sector organisation, statutory corporation or government department, any other Government or Non-Government entity or any other entity admitted as such by the Exchange for trading, clearing or settlement of contracts permitted for trading on the Exchange and shall not mean a shareholder of the Company unless expressly stated. Membership of the Exchange in this context shall not mean or require shareholding in the Company as a precondition.
- u **‘Member’** shall mean the Member of the Company holding share or shares of any class and whose name is entered in the Register of Members of the Company, and shall comprise the subscribers / signatories to the Memorandum of Association and these Articles, and such other persons, as the Board shall admit as members of the Company from time to time.
- Explanation: A member of the company (shareholder) by virtue of his shareholding in the company shall not get any trading or clearing rights in the Exchange *suo moto*.
- v **‘Month’** means an English calendar month.
- w **‘Office’** means the registered office for the time being of the Company.
- x **‘Ordinary Resolution’** shall have the meaning assigned to it by Section 189 of the Companies Act, 1956.
- y **‘Paid-up Capital’** includes amounts credited as paid-up capital of the Company.
- z **‘Person’** includes any corporation or company, individual, a partnership firm, a limited liability partnership, a body corporate, a corporation, a cooperative society, association of persons, bank, financial institution, public sector organisation, statutory corporation, a government department or Non-Government entity or such other person as the Board of Directors may decide from time to time.
- aa **‘Persons acting in concert’** in the context of acquisition or holding of shares or voting rights or control shall *mutatis mutandis* have the same meaning as assigned to it in clause (q) of sub-regulation (1) of regulation 2 of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 or any modification thereof;
- ab **‘Presence’ or ‘Present’** at a Meeting means presence or present personally.
- ac **‘Procedural Norms’** shall refer to ‘Procedural norms on Recognitions, Ownership and Governance for Stock Exchanges and Clearing Corporations as contained in circular no. CIR/MRD/DSA/33/ 2012 dated December 13, 2012 issued by SEBI and any modifications, amendments, revisions, thereto.

- ad **‘Public Interest Director’** means an independent director, representing the interests of investors in securities market and who is not having any association, directly or indirectly, which in the opinion of SEBI, is in conflict with his role.
- ae ¹ **‘Relevant Authority’** means the Board of Directors or such other authority as specified by the Board from time to time as relevant for a specified purpose.’
- af **‘Recognised Exchange’** means and includes deemed recognized stock exchange or commodity derivatives exchange, which is for the time being recognised by the Central Government and/or SEBI under the provisions of the SCRA.
- ag **‘Register of Members’** or **‘The Register of Members’** means the Register of Members to be kept pursuant to Section 150 of the Companies Act, 1956.
- ah **‘Registrar’** or **‘The Registrar’** means the Registrar of Companies having jurisdiction over the Company.
- ai **‘Regulations’** or **‘The Regulations’** means the Regulations of the Exchange for the time being in force and include business rules, code of conduct, circulars, notices and such other regulations prescribed by the Board of Directors or relevant authority from time to time for the operations of the Exchange.
- aj **‘Regulatory Department’** means a department of the Company which is entrusted with regulatory powers and duties and includes such department as may be specified by SEBI.
- ak **‘Rules’** refer to the rules relating in general to the constitution and management of the Exchange and includes its Memorandum and Articles of Association. The Rules shall be subject to the provisions of SCRA and the Rules and Regulations made thereunder and SEBI Act and the Rules and Regulations made thereunder.
- al **‘Seal’** means the common seal of the Company adopted by the Governing Board for the time being.
- am **‘SEBI’** shall mean the Securities and Exchange Board of India established under section 3 of the Securities and Exchange Board of India Act, 1992.
- an **‘SEBI Act’** shall mean the Securities and Exchange Board of India Act, 1992 as modified, amended or re-enacted from time to time and includes any guidelines, procedures, directions, circulars and orders issued by SEBI or Securities Appellate Tribunal.
- ao **‘Secretary’** shall mean a Company Secretary as per the Companies Act.
- ap **‘Securities’** include:
- i. shares, scrips, stocks, bonds, debentures, debenture stock or other marketable securities of a like nature in or of any incorporated company or other body corporate;
 - ii. derivative;
 - iii. units or any other instrument issued by any collective investment scheme to the investors in such schemes;
 - iv. security receipt as defined in clause (zg) of section 2 of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002;

¹ Substituted vide special resolution passed at the AGM dated June 10, 2006.

- v. units or any other such instrument issued to the investors under any mutual fund scheme;

Explanation – For the removal of doubts, it is hereby declared that ‘securities’ shall not include any unit linked insurance policy or scrips or any such instrument or unit, by whatever name called, which provides a combined benefit risk on the life of the person’s and investment by such persons and issued by an insurer referred to in clause (9) of section 2 of the Insurance Act, 1938 (4 of 1938).

- vi. any certificate or instrument (by whatever name called), issued to an investor by any issuer being a special purpose distinct entity which possesses any debt or receivable, including mortgage debt, assigned to such entity, any acknowledging beneficial interest of such investor is such debt or receivable including mortgage debt, as the case may be;
- vii. Government securities;
- viii. such other instruments as may be declared by the Central Government to be securities; and
- ix. rights or interest in securities;

- aq ‘**SCRA**’ shall mean the Securities Contracts (Regulation) Act, 1956 as amended from time to time, and includes any statutory modifications or re-enactments thereof for the time being in force.
- ar ‘**SCRR**’ shall mean the Securities Contracts (Regulations) Rules, 1957, as modified or updated from time to time.
- as ‘**Shareholder Director**’ means a director who represents the interest of shareholders, and elected or nominated by such shareholders who are not trading members or clearing members, as the case may be, or their associates and agents.
- at ‘**Special Resolution**’ shall have the meaning assigned thereto by Section 189 of the Companies Act, 1956.
- au ‘**Trading system**’ means the automated trading system of Exchange or any other system provided by the Exchange, which makes available to the members of the Exchange, by whatever method/technology/connectivity, quotations in Commodities or any other instruments and disseminates information regarding trades effected, volumes, etc. and such other notifications as may be placed thereon by the Exchange.
- av ‘**Words**’ importing
- a) the singular shall include the plural and vice versa.
- b) masculine gender includes feminine gender or neuter gender, as the case may be.
- aw ‘**Year**’ means the calendar year and ‘**Financial Year**’ shall have the meaning assigned thereto by Section 2(17) of the Companies Act, 1956.

The definitions not covered herein above will be taken from these Articles, Rules or the Bye-Laws of the Exchange for the purpose of interpretation or management of the Exchange, and in case of any discrepancy, the interpretation as may be taken by the Board of the Exchange shall be final and binding on all associated with the Exchange.

Business

5. The Company will carry on the business for which it was incorporated and any other business or businesses or lines of business or activity, which the Company is authorized to carry on under its Memorandum of Association.

6. **Authorised capital**

The Authorised Share Capital of the Company shall be in accordance with Clause V of the Memorandum of Association of the Company from time to time with the Board having the power to increase or reduce the share capital of the Company and to classify it into several classes and to attach thereto respectively such preferential, qualified or special rights, privileges or condition as may be determined by or in accordance with the Articles of the Company and to vary, modify or abrogate any such rights, privileges or conditions in such manner as may be for the time being provided by the Articles of the Company and/or under the Act and consolidate or sub-divide these shares and to issue shares of higher or lower denomination.

7. **Power of General Meeting to offer shares to such persons as the Company may resolve**

The Company in General Meeting may by Special Resolution determine that any shares (whether forming part of the original capital or of any increased capital of the Company) shall be offered to such persons (whether Members or holder of debentures of the Company or not) as the Company may resolve.

8. **Power to increase capital**

The Company may from time to time, by special resolution, increase the share capital by such sum, to be divided into shares of such amount, as may be specified in the resolution.

9. **Further issue of capital**

a. Where at the time after the expiry of two years from the formation of the Company or at any time after expiry of one year from the allotment of the shares in the Company made for the first time after its formation, whichever is earlier, it is proposed to increase the subscribed capital of the Company by allotment of the further shares either out of the un-issued capital or out of the increased share capital then:

- i ² Such further shares, whether equity or preference, shall be offered to the persons who at the date of the offer, are holders of the equity shares of the Company in proportion as nearly as circumstances admit, to the paid-up capital on those shares at that date;
- ii The aforesaid offer shall be made by notice specifying the number of shares offered and limiting a time not being less than fifteen (15) days from the date of offer within which the offer if not accepted will be deemed to have been declined;
- iii ³ The aforesaid offer shall be deemed to include a right exercised by the persons concerned to renounce the shares offered to him or any of them in favour of any other person, and the notice referred to in clause (ii) shall contain a statement of this right; PROVIDED THAT the Directors may decline, without assigning any reason to allot any shares to any person in whose favour any member may renounce the shares offered to him.
- iv ⁴ After the expiry of the time specified in the notice aforesaid, or earlier notification from the person to whom such notice is given that he declines to accept the shares offered, the Board may dispose them of in such manner as it thinks is most beneficial to the Company.

b. ⁵ Notwithstanding anything contained in sub-clause (1) thereof, the further shares aforesaid may be offered to any person (whether or not those person include the person referred to in clause (a) of sub-clause (1) thereof) in any manner whatsoever.

a. If a special resolution to that effect is passed by the company in general meeting, or

b. Where no special resolution is passed, if the vote cast (whether on show of hands or on a poll

² Substituted vide special resolution passed at the AGM held on September 30, 2010.

³ Substituted vide Special Resolution passed at the EGM on January 13, 2006.

⁴ Substituted vide Special Resolution passed at the AGM on September 30, 2010.

⁵ Substituted vide Special Resolution passed at the EGM on January 13, 2006.

as the case may be) in favour of the proposal contained in the resolution moved in the general meeting including the casting vote, if any, of the chairman) by the members who being entitled to do so, vote in person, or where proxies are allowed, by proxy, exceed the votes, if any, cast against the proposal by members, so entitled and voting and the Central Government is satisfied. On an application made by the Board of Directors in this behalf that the proposal is the most beneficial to the company

- c. ⁶ Nothing in sub-clause (iii) of (a) hereof shall be deemed:
- To extend the time within which the offer should be accepted; or
 - To authorize any person to exercise the right of renunciation for a second time on the ground that the person in whose favour the renunciation as first made has declined to take shares comprised in the renunciation.
- d. ⁷ Nothing in this clause shall apply to the increase of the subscribed capital of the Company caused by the exercise of an option attached to debentures issued or loans raised by the Company:
- To convert such debentures or loans into shares in the Company, or
 - To subscribe for shares in the Company.

Provided that the terms of issue of such debentures or the terms of such loans include a term providing for such option and that such term either has been approved by the Central Government before the issue of the debentures or the raising of the loans or is in conformity with the rules, if any, made by the Central Government in this behalf; and in the case of debentures or loans other than debentures issued to or loans obtained from the Central Government or any institution specified by the Central Government in this behalf, has also been approved by the Special Resolution passed by the Company in General Meeting before the issue of debentures or the raising of the loans.

- e. ⁸ Subject to the provision of Section 79A and other applicable provisions of the Act and Rules made there under the company may issue Sweat equity if such issue is authorized by a special resolution passed by the company in the General Meeting. The Company may also issue shares to employees under Employee Stock Option Plan or any other scheme, if authorised by a special resolution at a General Meeting subject to rules made there under and applicable guidelines by whatever named called.
- f. The provision in this Article for issue of Sweat Equity and/or grants under Employee Stock Option Plan(s) shall not be applicable to directors and key managerial personnel of the Company.

10. **Right of holders of equity shares**

Subject to the rights of the holders of any other share entitled by the terms of the issue to any preferential repayment over the equity shares, in the event of a winding up, the holders of preferential equity shares shall be entitled to be repaid the amount of capital paid-up or credited as paid-up on such shares as also arrears of dividend if any, and all surplus assets thereafter shall belong to the holders of equity shares and in proportion to the amount paid-up or credited as paid-up on such equity shares respectively at the commencement of the winding up.

⁶ Substituted vide Special Resolution passed at the EGM on January 13, 2006.

⁷ Substituted vide Special Resolution passed at the AGM on September 30, 2010.

⁸ Substituted vide Special Resolution passed at the EGM on January 13, 2006.

11. Issue of redeemable preference shares

The Company may, subject to the provisions of Section 80 of the Act, issue preference shares which are, or at the option of the Company, liable to be redeemed and may redeem such shares in any manner subject to Section 80 of the Act and may issue shares up to the nominal amount of shares redeemed or to be redeemed as provided in sub-section 4 of the said Section 80 of the Act. Where the Company has issued redeemable preference shares the provisions of Section 80 of the Act shall be complied with. The manner in which such shares shall be redeemed, shall be as provided under these presents unless the terms of issue provide for otherwise.

12. Redemption of preference shares

- a. Whenever any preference shares are issued which are, or at the option of the Company, liable to be redeemed the following provisions shall take effect:
 - i No such shares shall be redeemed except out of the profits of the Company, which would otherwise be available for dividend, or out of the proceeds of a fresh issue of shares made for the purposes of the redemption.
 - ii No such shares shall be redeemed unless they are fully paid -up.
 - iii The premium, if any, payable on redemption must be provided for out of the profits of the Company or out of the Company's share premium account before the shares are redeemed.
 - iv Where any such shares are redeemed otherwise than out of the proceeds of a fresh issue, there shall, out of profits which would otherwise have been available for dividend, be transferred to a reserve fund to be called 'The Capital Redemption Reserve Account', a sum equal to the nominal amount of the shares redeemed and the provisions of the Act relating to the reduction of the share capital of the Company shall, except as provided under Section 80 of the Act, apply as if the Capital Redemption Reserve Account were paid-up share capital of the Company.
 - v Whenever the Company redeems any redeemable preference shares, the provisions of Section 95 of the Act shall be complied with.
- b. Subject to the provisions of Section 80 of the Act and these Articles, the redemption of preference shares hereunder may be effected in accordance with the terms and conditions of their issue or, in the absence of any such terms and conditions, in such manner as the Directors may think fit.
- c. Where the Company has redeemed or is about to redeem any preference shares, it shall have power to issue shares up to the nominal amount of the shares redeemed or to be redeemed as if these shares had never been issued, and accordingly the share capital of the Company shall not, for the purpose of calculating the fees payable under Section 611 of the Act, be deemed to be increased by the issue of shares in pursuance of this clause; provided that, new shares shall not, so far as relate to stamp duty, be deemed to have been issued in pursuance of this clause unless the old shares are redeemed within one month after the issue of the new shares.
- d. The Capital Redemption Reserve Account may, notwithstanding anything in this Article, be applied by the Company in paying up unissued shares of the Company to be issued to Members of the Company as fully paid bonus shares.

13. Variation of rights

The right attached to any class of shares (unless otherwise provided by the terms of the issue of the shares of that class) may, subject to the provisions of Sections 106 and 107 of the Act, be varied with the consent in writing of the holders of not less than three-fourths of the issued shares of that class or with the sanction of the Special Resolution passed at a separate meeting of the holders of the issued shares of that class and the provisions of these Articles relating to General Meeting shall *mutatis mutandis* apply, provided that the necessary quorum shall be two (2) persons at least holding one-tenth of the issued shares of the class.

14. **Issue of further shares *pari passu***

The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of the issue, be varied by the creation of further shares ranking *pari passu* therewith.

15. **Commission and brokerage**

The Company may exercise the powers of paying commission and/or brokerage conferred by Section 76 of the Act.

16. **Payment of interest out of capital**

Where any shares are issued for the purpose of raising money to defray the expenses of the construction of any work or building or the provision of plant, which cannot be made profitable for a lengthy period the Company may pay interest on so much of that share capital as is for the time being paid-up for the period at the rate and subject to the conditions and restrictions provided by Section 208 of the Act and may charge the same to capital as part of the cost of construction of the work or building or the provision of the plant; the Articles relating to dividends shall where the context permits, apply to interest paid under this Article.

17. **ALTERATION OF CAPITAL**

Alteration and consolidation, division and cancellation of capital

The Company may from time to time by a Special Resolution alter the conditions of its Memorandum as follows:

- a. Increase its share capital by such amount as it thinks expedient by issuing new shares;
- b. Consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;
- c. Convert all or any of its fully paid-up shares into stock and re-convert that stock into fully paid-up shares of any denomination;
- d. Sub-divide its shares, or any of them, into shares of smaller amount than is fixed by the Memorandum, so however that in the sub-division, the proportion between the amount paid-up and the amount, if any, unpaid on each reduced share shall be the same as it was in the case of the shares from which the reduced share is derived and determine that as between the holders of the shares resulting from such sub-division one or more of such shares shall have some preference or special advantage as regards dividends, return of capital or otherwise over or as compared with the others; and
- e. Cancel shares which, at the date of the passing of the resolution in that behalf, have not been taken or agreed to be taken by any person and reduce the amount of its share capital by the amount of the shares so cancelled.

18. **Reduction of capital**

The Company may by Special Resolution, after complying with the provisions of the Act, in any manner and with and subject to any incidence authorized and consent required by law, reduce:

- a. Its share capital;
- b. Any capital redemption reserve account; or
- c. Any share premium account.

19. **Buy Back of its own shares**

The Company may buy back its own shares in accordance with the provisions of the Companies Act, 1956.

20. **⁹ Shares at the disposal of the Director**

Subject to the provisions of Section 81 of the Act, and these Articles, the shares in the capital of the Company for the time being shall be under the control of the Directors who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par or (subject to the compliance with the provision of section 79 of the Act) at a discount and at such time as they may from time to time think fit, and may issue and allot shares in the capital of the company on payment in full or part of any property sold and transferred or for any services rendered to the Company in the conduct of its business and any shares which may so be allotted may be issued as fully paid up shares and if so issued, shall be deemed to be fully paid shares provided that the option or right to call of shares shall not be given to any person or persons without the sanction of the Company in the general meeting.

21. **SHARES AND SHAREHOLDERS**

Liability of joint holders of shares

The joint holders of a share or shares shall be severally as well as jointly liable for the payment of all instalments, calls, interest, expenses and other sums due in respect of such share or shares.

Registered shareholder to be the owner

Save as otherwise provided by these Articles, the Company shall be entitled to treat the registered holder of any shares as the absolute owner thereof and accordingly the Company shall not, except as ordered by a Court of competent jurisdiction or by the statute required, be bound by or recognize any equitable, contingent, future or partial interest, lien, pledge or charge in any share or (except only as by these presents otherwise provided for) any other right in respect of any share except an absolute right to the entirety thereof in the registered holder.

Issue of shares other than for cash

- a. The Board may issue and allot shares in the capital of the Company as payment or part payment for any property, goods, machinery, appliances, trade marks, merchandise marks, patents, patent rights, licenses, privileges, processes and secrets or stock-in-trade purchased or for services rendered or to be rendered to the Company in or about the formation or promotion of the Company or the acquisition and/or conduct of its business and any shares which may be so allotted shall be deemed to be fully paid-up shares, and if so allotted shall be deemed to be fully paid-up shares.
- b. As regards all allotments, from time to time made, the Board shall duly comply with Section 75 of the Act.

Acceptance of shares

An application signed by or on behalf of an applicant for shares in the Company, followed by an allotment of any shares therein, shall be acceptance of the share within the meaning of these Articles; and every person who thus or otherwise accepts any shares and whose name is on the Register shall for the purpose of these Articles be a Member of the Company.

Right to certificates

- a. ¹⁰ Every member shall be entitled without payment to one or more share certificate(s) which shall be issued in the marketable lots for all shares, whether equity or preference, of each class of denomination registered in his name, or if the directors so approve, (upon paying such fee, as may be approved by the Board, from time to time), to several certificates, each for one or more

⁹ Inserted vide Special Resolution passed at the EGM on January 13, 2006.

¹⁰ Substituted vide Special Resolution passed at the AGM held on September 30, 2010 prior to which it was substituted vide Special Resolution passed at the EGM held on January 13, 2006.

- of such shares, and where the share certificates are issued in lots other than market lots, subdivision or consolidation of share certificates into market lots shall be done free of charge.
- b. ¹¹ The Company shall, within three (3) months from the date of allotment, unless the conditions of the issue thereof provide otherwise, and/or within one (1) month from the date of receipt of the application for registration of the transfer, transmission, sub division, consolidation or renewal of any of the shares or debentures, as the case may be, unless the conditions of issue thereof otherwise provide, deliver the certificate of all the shares and debentures so allotted or transferred or transmitted.
 - c. ¹² Every certificate shall specify number and distinctive numbers of shares in respect of which it is issued and amount paid up thereon and shall be in such form as the directors may prescribe or approve'
 - d. The provisions of clauses (b) and (c) above shall apply *mutatis mutandis* to debentures and debenture stock allotted or transferred.
 - e. No fee shall be charged for the issue of a new share certificate either for sub-division of the existing share certificates and/or for consolidation of several share certificates in lieu of share certificates on the back of which there is no space for endorsement for transfer or for registration of any probate, letters of administration, succession certificate or for registration of any power of attorney, partnership deed, Memorandum and Articles of the company or other similar documents.

One certificate for joint holders

¹³ Any two or more joint allottees of a share shall, for the purposes of this Article, be treated as a single member, and the certificate of any share, which may be subject to joint ownership may be delivered to anyone of such joint owners on behalf of all of them.

Replacement and renewal of certificate

- a. If a certificate be worn out, defaced or if there is no further space on the back thereof for endorsement or transfer, it shall be replaced, if required, by a new certificate free of charge, provided however that such new certificate shall not be granted except upon delivery of the worn out or defaced or used up certificate for the purpose of cancellation.
- b. If a certificate is lost or destroyed, the Company may upon such evidence and proof of such loss or destruction, on such terms and conditions as to indemnity or otherwise as the Board may require and on payment of a fee of Rupees one or such smaller sum as the Board may determine, issue a new certificate.
- c. Any renewed certificate shall be marked as such. Provided that notwithstanding what is stated above the Directors shall comply with such rules or regulation or requirements of any Stock Exchange or the rules made under the Act or the rules made under Securities Contracts (Regulation) Act, 1956 or any other Act, or rules applicable in the behalf. The provisions of this article shall *mutatis mutandis* apply to debentures of the Company.

Splitting and consolidation of share certificate

Any person (whether the registered holder of the shares or not) being legally in possession of any share certificate for the time being may surrender the share certificate to the Company and apply to the Company for the issue of two or more fresh certificates comprising the same shares bearing the same distinctive numbers comprised in the said certificate and in such separate lots as he may desire in lieu of and in cancellation of certificate so surrendered into one certificate and the Directors may at their discretion in lieu of and in cancellation of certificate so surrendered issue one or more such share

¹¹ Substituted vide Special Resolution passed at the AGM held on September 30, 2010 prior to which it was substituted vide Special Resolution passed at the EGM held on January 13, 2006.

¹² Substituted vide Special Resolution passed at the EGM on January 13, 2006.

¹³ Substituted vide Special Resolution passed at the AGM held on September 30, 2010.

certificates as the case may be in the name of the person or persons in whose name the original certificate stood and the new certificate so issued shall be delivered to the person who surrendered the original certificate or to his order. No fee shall be charged for issues of such new certificate.

Issue of certificate

Every share certificate shall be issued under the Common Seal of the Company and in accordance with the provisions of the Companies (Issue of Share Certificate) Rules, 1960 or any modification thereof for the time being in force.

Dematerialisation of securities

The Company may issue the whole or a part of its new securities in dematerialised form and / or convert the whole or a part of its existing issued securities into dematerialised form and shall, in such cases, comply with the provisions of the Depositories Act with respect to issue of securities in dematerialised form as well as transfer of such securities.

22. LIEN

¹⁴ Company's lien on shares

The Company shall have a first and paramount lien upon all shares other than fully paid-up shares registered in the name of any Members, either alone or jointly with any other person, and upon the proceeds of sale thereof, for all debts, liabilities, engagements and obligations whether solely or jointly with any other person, to or with the Company/the Exchange/the Designated Clearing House and (Whether presently payable or not) called or payable at a fixed time in respect of such shares / debentures and no equitable interest in any shares shall be created except upon the footing and condition that this Article shall have full effect, and such lien shall extend to all dividends and bonuses from time to time declared in respect of such shares/ debentures. Unless otherwise agreed, the registration of transfer of shares/ debentures shall operate as a waiver of the company's lien if any, on such shares or debentures and such lien shall extend to all dividends from time to time declared in respect of such shares.

But the Board may at any time declare any share to be exempt, wholly or partially, from the provisions of this Article.

Enforcing lien by sale

For the purpose of enforcing such lien, the Board may sell the shares subject thereto in such manner as it may think fit but no sale shall be made until the expiration of fourteen (14) days after a notice in writing stating and demanding payment of such amount, in respect of which the lien exists, has been given to the registered holder of the shares for the time being or to the person entitled to the shares by reason of the death or insolvency.

Validity of sale on exercise of lien and after forfeiture

Upon any sale after forfeiture or for enforcing a lien in purported exercise of the powers hereinafter given, the Board may appoint any person to execute an instrument of transfer of the shares sold and cause the purchaser's name to be entered in the Register of Members in respect of the shares sold, and the purchaser shall not be bound to see the application of the purchase money, and after his name has been entered in the Register of Members in respect of such shares the validity of the sale shall not be impeached by any person, and the remedy of any person aggrieved by the sale shall be in damage only and against the Company exclusively.

¹⁴ Substituted vide Special Resolution passed at the EGM on January 13, 2006.

Application of proceeds of sale

The net proceeds of any such sale shall be applied in or towards satisfaction of the said moneys and the balance, if any, shall unconditionally vest with the Company.

23. CALLS ON SHARES

Calls

- a. Subject to the provisions of Section 91 of the Companies Act, the Board may from time to time make such calls as it thinks fit upon the Members of the Company in respect of all moneys unpaid on the shares held by them respectively (whether on account of the nominal value of the shares or by way of premium) and not by the conditions of allotment thereof, made payable at fixed times.
- b. A call may be made payable in instalments.
- c. Each member shall pay the amount of every call so made on him to the person and at the time and place appointed by the Board.
- d. A call may be revoked or postponed at the discretion of the Board.
- e. ¹⁵ The option or right to call of shares shall not be given to any person except with the sanction of the issuer in general meeting

When call deemed to be made

The Board when making a call by resolution may determine the date on which such call shall be deemed to have been made not being earlier than the date of resolution making such call and thereupon the call shall be deemed to have been made on the date so determined and if no such date as aforesaid is fixed, the call shall be deemed to have been made on the date on which the resolution of the Board making the call is passed.

Length of notice of call

Not less than fourteen (14) days' notice of any call shall be given specifying the time and place of payment and the person to whom such call shall be paid, provided that the Board may, by notice in writing to the Members of the Company, extend the time for payment thereof.

Dues payable at fixed time to be deemed calls

If by the terms of issue of any shares or otherwise any amount is made payable on allotment or at any fixed time or by instalments at fixed times whether on account of nominal value of the shares or by way of premium, every such amount or instalment shall be payable as if it were a call duly made by the Board and of which due notice had been given, and all the provisions herein contained in respect of calls shall relate and apply to every such amount or instalment accordingly.

When interest on calls payable

If sum called in respect of shares is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest upon the sum at the rate fixed by the Board, not exceeding fifteen per cent (15%) per annum, from the day appointed for the payment, but the Board shall be at liberty to waive payment of that interest wholly or in part.

Dues payable at fixed time to be treated as calls

The provisions of these Articles as to payment of interest shall apply in the case of non-payment of any sum which by the terms of issue of shares becomes payable on allotment or at a fixed time, whether on account of the amount of the shares or by way of premium, as if the same had become payable by virtue of a call duly made and notified.

¹⁵ Inserted vide Special Resolution passed at the EGM on January 13, 2006.

¹⁶ **Payment of calls in advance**

The Board may, if they think fit, and subject to the provision of Section 92 of the Act, receive from any Member willing to advance the same, either in money or moneys worth, all or any part of the moneys uncalled and unpaid-upon any shares held by him and upon all or any part of the moneys so advanced may, (until the same would, but for such advance become presently payable) pay without the sanction of the Company in General Meeting interest at such rate, not exceeding twelve per cent (12%) per annum, as may be agreed upon between the Member paying the sum in advance and the Board, but shall not in respect thereof confer a right to dividend or to participate in profits. The Member making such advance shall not be entitled to any voting rights in respect of such advance, until the same would but for such payment become presently payable.

The provision of these Articles shall apply *mutatis mutandis* to calls on the debenture of the Company.

Partial payment not to preclude forfeiture

Neither a judgement nor a decree in favour of the Company for calls or other moneys due in respect of any share nor any part payment or satisfaction there under, nor the receipt by the Company of portion of any money which shall from time to time be due from any Member in respect of any share either by way of principal or interest nor any indulgence granted by the Company in respect of the payment of any such money shall preclude the Company from thereafter proceeding to enforce a forfeiture of such shares as hereinafter provided.

24. TRANSFER AND TRANSMISSION OF SHARES

Instrument of transfer

Subject to the provisions of Section 108 of the Act, the rules prescribed there under and these Articles, the shares in the Company shall be transferred by an instrument in writing in the prescribed form and duly stamped.

Transfer

- a. The instrument of transfer of any shares in the Company shall be executed both by transferor and the transferee and the transferor shall be deemed to remain the holder of the shares until the name of the transferee is entered in the Register of Members of the Company in respect thereof.
- b. The Board shall not register any transfer of shares unless a proper instrument of transfer duly stamped and executed by the transferor and the transferee has been delivered to the Company, along with the share certificate or the letter of allotment, as the case may be, and such other evidence as the Company may require to prove the title of the transferor or his right to transfer the shares.

Provided that where it is proved to the satisfaction of the Board that an instrument of transfer signed by the transferor and the transferee has been lost, the Company may, if the Board thinks fit, on an application in writing made by the transferee and bearing the stamp required for an instrument of transfer, register the transfer on such terms as to indemnity as the Board may think fit.

- c. An application for the registration of the transfer of any share may be made either by the transferor or the transferee, provided that, where such application is made by the transferor, no registration shall in any case of partly paid shares be effected unless the Company gives notice of the application to the transferee and the transferee makes no objection within two weeks from the receipt of notice.
- d. For the purpose of sub-clause (c) notice to the transferee shall be deemed to have been duly given if dispatched by prepaid post to the transferee at the address given in the instrument of

¹⁶ Substituted vide Special Resolution passed at the EGM on January 13, 2006.

transfer and shall be deemed to have been delivered at the time at which it would have been delivered in the ordinary course of post.

- e. Nothing in sub-clause (d) shall prejudice any power of the Board to register as a shareholder any person to whom the right to any share has been transmitted by operation of law.
- f. Nothing in this Article shall prejudice the power of the Board to refuse to register the transfer of any shares to a transferee, whether a member or not, under the provisions of the Act or these Articles.

¹⁷ **Board's right to refuse transfer**

Subject to the provisions of Section 111 of the Act and Section 22A of the Securities Contracts (Regulation) Act, 1956, The Directors may, at their own absolute and uncontrolled discretion and by giving reasons, decline to register or acknowledge any transfer of shares whether fully paid or not and the right of refusal, shall not be affected by circumstances that the proposed transferee is already a member of the Company but in such cases, the Directors shall within one month from the date on which the instrument of transfer was lodged with the Company, send to the transferee and transferor notice of refusal to register such transfer provided that registration of transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever except where the Company has a lien on the shares. Transfer of shares/ debentures in whatever lot shall not be refused.

Further right of Board of Directors to refuse to register

The Board may also decline to recognize any instrument of transfer unless:

- a. the instrument of transfer is accompanied by the certificate of shares to which it relates and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer; and
- b. the instrument of transfer is in respect of only one class of shares.

Endorsement on transfers and issue of certificate

Every endorsement upon a share in favour of a transferee shall be signed by a person for the time being duly authorized by the Board in that behalf. In case a transferee of a share applies for a new certificate in lieu of an old or existing certificate, he shall be entitled to receive a new certificate upon his delivery of the old or existing certificate, which is desired to be replaced by a new one.

Transfer fee

Notwithstanding any other provisions to the contrary contained in these presents, no fee shall be charged for any of the following:

- a. For registration of transfer of shares or debentures, or for transmission of shares or debentures;
- b. For sub-division and consolidation of share and debenture certificates and letters of allotment, and for splitting, consolidation and renewal into denominations corresponding to the market units of trading;
- c. For sub-division of renounce able Letter of Right
- d. For issue of certificates in replacement of those which are old, decrepit or worn out or where the cages on the reverse for recording transfers have been fully utilised; and
- e. For registration of any power of attorney, letters of administration or similar other documents.

Register of Members

The Company shall keep a book to be called the "Register of Members" and therein shall be entered the particulars of every transfer or transmission of all shares and other particulars of shares required by the Companies Act to be entered in such register.

¹⁷ Substituted vide Special Resolution passed at the EGM on January 13, 2006.

Closure of Register of Members

The Board may, after giving not less than seven (7) days previous notice by advertisement as required by the Companies Act, close the Register of Members or the register of debenture holders for any periods not exceeding in the aggregate forty-five (45) days in each year but not exceeding thirty (30) days at any one time.

Right to shares on death of a Member

- a. On the death of a Member, the survivor or survivors where the Member was joint-holder, and his legal representatives where he was sole holder, shall be the only person recognized by the Company as having any title to his interest in the shares.
- b. Nothing in sub-clause (a) shall release the estate of a deceased joint-holder from any liability in respect of any shares, which had been jointly held by him with other persons.

Rights and liabilities of a legal representative

- a. Any person becoming entitled to a share in consequence of the death or insolvency of a Member may, upon such evidence being produced as may from time to time be required by the Board and subject as hereinafter provided, elect either:
 - i. To register himself as holder of the shares; or
 - ii. To make such transfer of the shares as the deceased or insolvent could have made.
- b. The Board shall, in either case, have the same rights to decline or suspend registration as it would have had, if the deceased or insolvent Member had transferred the share before his death or insolvency.
- c. If the person entitled shall elect to be registered as holder of the share himself, he shall deliver or send to the Company a notice in writing by him stating that he so elects.
- d. If the person aforesaid shall elect to transfer the shares, he shall testify his election by executing a transfer of the shares.
- e. All the limitations, restrictions and provisions of these regulations relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the Member had not occurred and the notice of transfer were a transfer signed by the member.

25. DEVOLUTION OF RIGHTS

Devolution on the death of a shareholder

A person becoming entitled to a share by reason of the death or insolvency of the shareholder shall be entitled to the same dividends and the other advantages to which he would be entitled if he were the registered holder of the share, except that he shall not, before being registered as a Member in respect of the share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company;

Provided that the Board may, at any time, give notice requiring any such person to elect to register himself or to transfer the share and if the notice is not complied within ninety (90) days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the share until the requirements of the notice have been complied with.

Company's right to transfer to an apparent legal owner

Neither the Company nor the Directors shall incur any liability or responsibility whatsoever in consequence of its registering or giving effect to any transfer of shares made or purporting to be made by any apparent legal owner thereof (as shown or appearing in Register of Members) to the prejudice of persons having or claiming any equitable right, title or interest to or in the same shares.

Notwithstanding that the Company or the Directors may have had notice of such equitable right, title or interest prohibiting registration of such transfer and may have entered such notice referred thereto in any book of the Company, the Company or the Directors shall not be bound by or required to regard or attend to or give effect to any notice which may be given to it of any equitable right, title or interest or be under any liability whatsoever for refusing or neglecting so to do, though it may have been entered or referred to in the books of the Company, but the Company shall nevertheless be at liberty to regard, attend to or give effect thereto if the Board shall think fit.

Nomination facility to shareholders

In accordance with the provisions of the Companies Act, 1956, the shareholders of the Company shall have the right to nominate persons in whom all shareholders' rights shall vest on the death of the holders / all joint holders of the shares.

26. FORFEITURE OF SHARES

If call or instalment not paid notice to be given

If a Member fails to pay any call or instalment of a call or interest thereon on or before the day appointed for the payment of the same, the Board may, at any time thereafter during such time as the call or instalment or interest remains unpaid, serve a notice on such Member requiring him to pay the same together with interest at fifteen per cent (15%) per annum or such other rate as the Board may decide and all expenses that may be incurred by the Company by reason of such non-payment.

Form of notice

The aforesaid notice shall name a further day, not earlier than the expiration of fourteen (14) days from the date of service of the notice, on or before which the payment required by the notice is to be made, and shall state that, in the event of non-payment on or before the time appointed, the shares in respect of which the same is owing will be liable to be forfeited.

Forfeiture on failure to comply with notice

If the requirements of any such notice as aforementioned are not complied with, any shares in respect of which the notice has been given may, at any time thereafter before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect and such forfeiture shall include all dividends declared in respect of forfeited shares and not actually paid before forfeiture.

Boards right to disposal of forfeited shares or cancellation

A forfeited or surrendered share shall be deemed to be the property of the Company and may be sold or otherwise disposed of on such terms and in such manner as the Board may think fit, but at any time before a sale or disposition, the forfeiture may be cancelled on such terms as the Board may think fit.

Liability after forfeiture

A person whose shares have been forfeited shall cease to be a Member in respect of the forfeited shares but shall notwithstanding such forfeiture, remain liable to pay and shall forthwith pay the Company all moneys which at the date of forfeiture were presently payable by him to the Company in respect of shares together with interest at fifteen per cent (15%) per annum, whether such claim be barred by limitation on the date of the forfeiture or not; but his liability shall cease if and when the Company receives payment in full of all moneys due. The Board may if they shall think fit remit the payment of such interest or any part thereof.

Declaration of forfeiture

A duly verified declaration in writing, that the declarant is a Director of the Company and that a share in the Company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share, and the

declaration and the receipt of the Company for the consideration, if any, given for the shares on the sale or disposal thereof, shall constitute a good title to the share and the person to whom the share is sold or disposed of shall thereupon be registered as the holder of the share and shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the share.

Non-payment of dues payable at fixed time

The provisions of these regulations as to forfeiture shall apply in the case of non-payment of any sum which by the terms of issue of a share becomes payable at a fixed time whether on account of the amount of the share or by way of premium or otherwise as if the same had been payable by virtue of a call duly made and notified.

27. SET-OFF OF MONEYS DUE TO SHAREHOLDERS

Any money due from the Company to a shareholder may, without the consent of such shareholder, be applied by the Company in or towards payment of any money due from him, either alone or jointly with any other person, to the Company in respect of calls or otherwise.

28. CONVERSION OF SHARES INTO STOCK

Conversion of shares into stock and re-conversion

The Company, by an ordinary resolution, may:

- a. Convert any paid-up shares into stock; and
- b. Re-convert any stock into paid-up shares of any denominations.

Transfer of stock

The holders of the stock may transfer the stock or any part thereof in the same manner and subject to the same regulations under which the shares from which the stock arose might have been transferred previous to the conversion, or as near thereto as circumstances admit, but the Board may from time to time fix the minimum amount of stock transferable and restrict or forbid the transfer of fractions or that such minimum shall not exceed the nominal amount of the shares from which the stock arose.

Rights of stockholders

The holders of the stock shall, according to the amount of the stock held by them, have the same rights, privileges and advantages as conferred by Section 96 of the Act.

Applicability of regulations to stock holders

Such of the regulations contained in these presents, other than those relating to share warrants, as are applicable to paid-up shares shall apply to stock and the words 'share' and 'shareholder' in these presents shall include 'stock' and 'stockholder' respectively.

29. SEBI's GUIDELINES/DIRECTIONS/NORMS, ETC. TO BE BINDING ON THE COMPANY

- a. The Company, each of its members and shareholders and their governance in relation to the Company and its business is regulated by the Securities and Exchange Board of India and/or other regulators and competent authorities under applicable laws. The Company and each of the members and shareholders shall strictly comply with the guidelines, directions, norms, instructions, regulations etc. that may be issued by any of the regulators or competent authorities from time to time.
- b. The Company and each of its members and shareholders and their eligibility to become and remain members and shareholders of the Company and other rights, privileges and obligations in the Company are governed by the Companies Act and/or the Guidelines/Directions/Norms, etc. as amended or revised from time to time, prescribed/issued by SEBI including the norms regarding Shareholding, Ownership, Net worth, Fit and Proper Criteria, etc. as may be applicable in terms

of SECC Regulations. The members and shareholders and the Company shall comply with such guidelines, directions, norms, instructions, regulations etc. within such period as may be specified in this regard by SEBI or other regulators or competent authorities or such reasonable period as may be deemed appropriate by the Board of Directors of the Company.

- c The guidelines, directions, norms, instructions, regulations etc., issued by SEBI or other regulators from time to time, including the norms regarding Shareholding, Ownership, Net worth, Fit and Proper Criteria, etc. issued by SEBI shall be deemed to form an integral part of the Memorandum and Articles of Association of the Company and any amendments to such guidelines, directions, norms, instructions, regulations etc. shall be deemed to have been incorporated in the Memorandum and Articles of Association, and the rules and bye-laws of the Company.
- d Accordingly, SECC Regulations of June 2012 shall be deemed to be part of the Articles of Association of the Company.
- e An updated copy of the Memorandum and Articles of Association and Bye-laws of the Company and the guidelines, directions, norms, instructions, regulations etc. issued by SEBI or any other regulator or competent authorities including the norms regarding Shareholding, Ownership, Net worth, Fit and Proper Criteria, etc. issued by SEBI which shall be deemed to form part of the Memorandum and Articles of Association and Bye-laws of the Company shall be available for inspection at the registered office of the Company during normal business hours on any working day.
- f The Company shall, on being requested by a member and shareholder, send to him within 7 days of the receipt of the request and subject to payment of such fees as may be determined by the Board from time to time, a copy of each of the guidelines, norms or instructions issued by SEBI or any other regulators or competent authorities, which guidelines, norms or instructions are deemed to form an integral part of the Memorandum and Articles of Association and Bye-laws of the Company.

30 RESTRICTIONS ON SHAREHOLDING

- a No person shall, directly or indirectly, acquire or hold equity shares of the Company unless he is a fit and proper person as per the criteria laid down in the guidelines, directions, norms, etc. instructions issued by SEBI or any other regulators or competent authorities under applicable laws.
- b No person shall, directly or indirectly, either individually or together with persons who are his associates, agents, authorised persons or with any other person(s) acting in concert, acquire/hold equity shares exceeding the prescribed percentage of the paid up equity share capital without the requisite approval of SEBI. Such approval is to be sought within 15 days from the date of acquiring and holding (along with existing shareholding, if any) of 2% and above but less than 5%.

The following entities in terms of Regulation 17(2) of SECC Regulations can hold up to 15% of the paid-up capital in the Company subject to obtaining a prior approval from SEBI for holding beyond 5%.

- i. a stock exchange;
- ii. a depository;
- iii. a banking company;
- iv. an insurance company; and
- v. a public financial institution,

It would be the shareholders/investors sole responsibility to ensure that their acquisition including their existing shareholding in the company, along with the holding by his associates, agents, authorised persons or with any other person(s) acting in concert does not exceed the prescribed limits. If the shareholding exceeds the prescribed limit and approval is not sought for from SEBI or not given by SEBI, such excess shareholding shall immediately

be divested in accordance with the process laid down by SEBI in its circular dated January 01, 2016

Application for grant of approval for shareholding beyond 2% or 5%:-

A shareholder seeking SEBI's approval for holding more than 2% or 5% of paid up equity share capital of the Company shall submit an application to SEBI through the Company with the following particulars:-

- a) Name
- b) Address
- c) Details of employment/ business, if any:
- d) SEBI registration number, if any.
- e) Details of registration with other statutory authorities,.
- f) Declaration regarding the fulfillment of requirements of regulation 20 of SECC Regulations.
- g) Details of action /penalties taken/ imposed against/upon him/it by any statutory authority in India or abroad.
- h) Details of activities that may, in the opinion of the shareholder, lead to his/ its disqualification.
- i) Association with trading members/ clearing members of stock exchanges/ clearing corporations.
- j) Cases pending before any Court, Tribunal or any other statutory authority in India or abroad, if any.
- k) Previous approvals from SEBI as fit and proper, if any.

Any person holding more than two per cent. of the paid up equity share capital in the Company, shall file a declaration within fifteen days from the end of every financial year with the Company, that he complies with the fit and proper criteria provided in Regulation 20 of SECC Regulations.

- c In the event of any person ceasing to be a 'fit and proper person' or being declared so by SEBI or any other regulator or competent authorities, such person shall forthwith divest his shareholding.

31 DIVESTMENT OF SHAREHOLDING

- a Any shareholder of the Company holding shares in excess of the percentage that he is entitled to hold, whether by reason of such person being declared as not fit and proper, or for any other reason, whether such reason arises out of a direction or order of the Central or State Government or Securities and Exchange Board of India or any order passed by a court, tribunal or any other statutory authority, or otherwise, shall forthwith divest his shareholding and the voting rights of such person shall stand extinguished and any corporate benefit in lieu of such holding shall be kept in abeyance / withheld by the Company.
- b The Company shall take necessary steps as it may deem fit so as to ensure that the shareholding of such person is divested forthwith upon such direction or order of a competent authority.
- c On being declared as not fit and proper person to continue to hold the shares of the Company, the Company may call upon the concerned shareholder to divest his shares forthwith. The Company shall simultaneously require the Depository and Depository Participant to note the extinguishment of the voting rights in respect of the shares of the said shareholder and freeze the beneficiary account of the said shareholder.
- d In the event the said shareholder fails or neglects to divest the shares within such time as prescribed in the communication from the Company, the said shareholders shall be deemed to

have irrevocably constituted, nominated and appointed the Board of Directors of the Company as the agents for such shareholder. The Board of Directors shall cause to transfer such shares immediately to an escrow account which would be opened and operated by the Board of Directors of the Company and the Board of Directors may request respective Depository and Depository Participants to transfer the entire shareholding or the shares held in excess of the permissible limits to the escrow account opened and operated by the Board of Directors to ensure compliance with the order/guidelines/direction/norms, etc. of the Central or State Government or Securities and Exchange Board of India or any court, tribunal or any other statutory / competent authority for the disposal of such shares from such escrow account.

- e The Board of Directors of the Company shall act either by itself and or through a registered intermediary, as an agent to deal with and dispose of such shares in such manner as the Board may consider fit, to ensure prompt compliance of the order, guidelines, directions, norms, instructions, regulations etc. of the Central or State Government or Securities and Exchange Board of India or any court, tribunal or any other statutory / competent authority.
- f All moneys realised from the sale of shares held in escrow, shall be paid over to the said shareholder, subject to the lien (if any) on such shares and after deducting the expenses incurred by the Company for disposing of said shares.

32. GENERAL MEETINGS

Annual General Meeting

In addition to any other meetings, Annual General Meeting of the Company shall be held within such intervals as are specified in Section 166 (1) of the Companies Act and, subject to the provisions of Section 166 (2) of the Companies Act, at such times and places as may be determined by the Board. Each such general meeting shall be called an “Annual General Meeting” and shall be specified as such in the notice of convening the meeting. Any other meeting of the Company shall be an “Extraordinary General Meeting”.

Extraordinary General Meeting

Extraordinary General Meetings may be held either at the Registered Office of the Company or, subject to the provisions of the Act, at such convenient place as the Board may deem fit.

Right to summon Extraordinary General Meeting

The Board may whenever it think fit and shall on the requisition of the Members in accordance with Section 169 of the Companies Act proceed to call an Extraordinary General Meeting. The requisitionists may, in default of the Board convening the same, convene the Extraordinary General Meeting as provided by Section 169 of the Companies Act. Provided that, unless the Board shall refuse in writing to permit the requisitionists to hold the said meeting at the Registered Office, it shall be held at the Registered Office.

Extraordinary General Meeting by requisition

The Company shall comply with the provisions of Section 188 of the Act as to giving notice of resolutions proposed by the Members and circulating statements on the requisition of members.

Notice for General Meeting

A General Meeting of the Company may be called by giving not less than twenty one (21) days' notice in writing, provided that, a General Meeting may be called after giving shorter notice if consent thereto is accorded in the case of the Annual General Meeting by all Members entitled to vote thereat and in the case of any other meeting, by Members of the Company holding not less than ninety-five per cent (95%) of that part of the paid-up share capital which gives the right to vote on the matters to be considered at the meeting.

Provided that where any Members of the Company are entitled to vote on some resolutions to be moved at a Meeting and not on the others, those Members shall be taken into account for the purpose of this clause in respect of the former resolution or resolutions and not in respect of the latter.

Accidental omission to give notice not to invalidate meeting

Accidental omission to give notice of any meeting to or non-receipt of any such notice by any of the Members shall not invalidate the proceedings of or any resolution passed at such meeting.

Special business and statement

- a. All business shall be deemed special that is transacted at an Extraordinary General Meeting and also that is transacted at an Annual General Meeting with the exception of declaration of a dividend, the consideration of the accounts, balance sheets and the reports of the Directors and Auditors, the election of the Directors in the place of those retiring by rotation and the appointment of and the fixing of the remuneration of Auditors.
- b. Any Annual General Meeting may transact any item of business whether ordinary or special.
- c. Where any items of business to be transacted at the meeting are deemed to be special as aforesaid, there shall be annexed to the notice of the meeting a statement setting out all material facts concerning each such item of business including in particular the nature of the concern or interest, if any, therein of every Director and the Managing Director and if any item of business consists of the according of approval to any document by the meeting, the time and place where the document can be inspected shall be specified in the statement aforesaid.

Provided that, where any item of special business as aforesaid to be transacted at a meeting of the Company, the extent of shareholding interest in that other company of every Director and the Managing Director of the Company shall also be set out in the statement if the extent of such share-holding interest is not less than two per cent (2%) of the paid-up share capital of that other company.

33 PROCEEDINGS AT GENERAL MEETING

Quorum

Five (5) Members personally present shall be a quorum for a General Meeting and no business shall be transacted at any General Meeting unless the requisite quorum is present at the time when the meeting proceeds to business.

If quorum not present, when meeting to be dissolved and when not to be dissolved

If within half an hour from the time appointed for the meeting, a quorum is not present, the meeting if called upon the requisition of Members, shall be dissolved; in any other case, it shall stand adjourned to the same day in the next week at the same time and place or to such other day and such other time and place as the Board may determine and if at the adjourned meeting a quorum is not present, within half an hour from the time appointed for the meeting, the Members present shall be a quorum.

Chairman of General Meeting

The Chairman, if any, of the Board, shall preside as chairman at every General Meeting of the Company.

When Chairman absent, choice of another chairman

If there is no such Chairman or if at any meeting he is not present within half an hour after the time appointed for holding the meeting or is unwilling to act as chairman, the Deputy Chairman, if any, of the Board shall preside and failing him, the Members present shall choose another Director as

chairman and if no Directors be present or if all the Directors decline to take the chair, then the Members present shall choose one of their Members to be chairman of that meeting.

Adjournment of meeting

The chairman, may with the consent of the majority of Members personally present at a meeting at which a quorum is present (and shall if so directed by such majority), adjourn that meeting from time to time and from place to place but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which adjournment took place. When a meeting is adjourned for thirty (30) days or more, notice of the adjourned meeting shall be given as nearly as may be as in the case of an original meeting. Save as aforesaid, it shall not be necessary to give any notice of an adjournment of the business to be transacted at an adjourned meeting.

Questions at General Meeting how decided

At any General Meeting, a resolution put to the vote in the meeting shall be decided on a show of hands, unless a poll is (before or on the declaration of the result of the show of hands) demanded in accordance with the provisions of Section 179 of the Act. Unless a poll is so demanded, a declaration by the chairman that a resolution has, on a show of hands, been carried unanimously or by a particular majority or lost and an entry to that effect in the books of the proceedings of the Company shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against that resolution.

Casting vote

In the case of an equality of votes, the chairman shall, both on a show of hands and on a poll, have a second or casting vote in addition to the vote or votes to which he may be entitled as a Member.

Taking of poll

If poll is duly demanded in accordance with the provisions of Section 179 of the Companies Act, it shall be taken in such manner as the chairman directs and in accordance with the provisions of Sections 183 and 185 of the Companies Act and the result of the poll shall be deemed to be the decision of the meeting on the resolution on which the poll was taken. The chairman shall appoint two (2) scrutinizers in the manner required by Section 184 of the Companies Act.

Poll to be taken without adjournment

A poll demanded on the election of chairman or on a question of adjournment shall be taken forthwith. A poll demanded on any other question shall be taken at such time not being later than forty-eight (48) hours from the time when demand was made or as the chairman may direct.

34 VOTES AT MEETINGS

Voting rights

Every Member of the Company holding any equity shares having voting rights, shall have a right to vote in respect of such share on every resolution placed before the Company. On a show of hands, every such Member present in person shall have one vote. On a poll, his voting right in respect of such shares shall be in proportion to his share of the paid-up equity capital of the Company.

Limitations on voting rights

If the Company has issued any preference share with any special privileges, the holders of preference shares or shares of special class shall have no right to be present or vote in person at any General Meeting by virtue of their holding of preference shares or share of special class unless:

- a. Any resolution is placed before the Company which directly affects the rights attached to their preference shares or shares of special class; or
- b. Dividend on such preference shares or shares of special class or any part of such dividend has remained unpaid in respect of the aggregate period of not less than two (2) years preceding the date of commencement of the meeting.

The Board may issue shares with differential voting rights in accordance with the relevant provisions of the Companies Act, 1956, and in such cases, the voting rights shall be in accordance with the terms of issue of such shares.

Business to proceed despite poll

A demand for a poll does not prevent the continuance of meeting or the transaction of any business other than that on which a poll has been demanded. The demand for a poll may be withdrawn at any time by the persons who have made the demand.

Vote of joint holders

In the case of joint holders of shares, the vote of the first named of such joint holders who tender a vote in person shall be accepted to the exclusion of the votes of the other joint holders.

No vote if calls unpaid

No Member shall be entitled to vote at any General Meeting unless all calls or other sums presently payable by him in respect of shares in the Company have been paid.

Vote by proxy

On a poll, votes shall be given in person.

Representation of company or body corporate

Where a company or body corporate (hereinafter called "member company") is a Member of the Company, a person, duly appointed by resolution of the member company's board of directors in accordance with the provisions of Section 187 of the Act to represent such member company at a meeting of the Company or at any meeting of class of members of the Company, shall not by reason of such appointment be deemed to be a proxy. A copy of such resolution duly signed by a director of such member company and certified by him as being a true copy of the resolution, upon lodging with the Company at the Office or production at the meeting, shall be accepted by the Company as sufficient evidence of the validity of his appointment; such a person shall be entitled to exercise the same rights and powers, including the right to vote on behalf of the member company, as if it were an individual Member.

Validity of vote

No objection shall be made to the validity of any vote, except at the meeting or the adjourned meeting or poll at which such vote shall be tendered, and every vote, whether given personally and not disallowed at such meeting or poll, shall be deemed valid for all purposes of such meeting or poll whatsoever.

Chairman sole judge of validity

The chairman of the meeting shall be the sole judge of the validity of every vote tendered at such meeting and the chairman present at the taking of the poll shall be the sole judge of the validity of every vote tendered at such poll.

Casting of vote by Postal Ballot

In accordance with the relevant provisions of the Companies Act, 1956, and the rules made

thereunder, the specified items of business to be decided by postal ballot shall be so decided and the Company shall comply with the applicable provisions.

35. BOARD OF DIRECTORS

Number of Directors

¹⁸ The Board shall consist of not more than 18 (Eighteen) Directors inclusive Public Interest Directors as nominated/appointed by SEBI, shareholder directors (including employee-directors, other than the managing director) and the managing director.

Provided that any increase in the number of directors beyond eighteen shall be with the approval from the Central Government.

Composition of the governing board.

- (1) The governing board of the Company shall include:
 - (a) shareholder directors;
 - (b) public interest directors; and,
 - (c) managing director.
- (2) Subject to prior approval of SEBI, the chairperson shall be elected by the governing board from amongst the public interest directors.
- (3) The number of public interest directors shall not be lesser than the number of shareholder directors in the Company.
- (4) The managing director shall be an *ex-officio* director on the governing board and shall not be included in either the category of public interest directors or shareholder directors.
- (5) Any employee of the Company may be appointed on the governing board in addition to the managing director, and such director shall be deemed to be a shareholder director.
- (6) No clearing member, or their associates and agents, shall be on the governing board of the Company.
- (7) At least one public interest director shall be present in the meetings of the governing board to constitute the quorum.
- (8) No foreign institutional investor shall have any representation in the governing board of the Company.
- (9) The Exchange shall ensure compliance with the provisions of SECC regulation, including any amendment thereto, within the time prescribed by such regulations.

Public Interest Directors:-

- a. The names of public interest directors shall be forwarded to SEBI after the approval of the Board of the Directors of the Company. The shareholders' approval shall not be necessary.
- b. A minimum of two names shall be submitted to SEBI for each vacancy of public interest directors.
- c. The Company shall ensure that public interest directors are selected from diverse field of work. While deciding to propose a particular person as a public interest director, the stock exchange/clearing corporation shall also take into account the following factors:
 - i. Qualification in the area of law, finance, accounting, economics, management, administration or any other area relevant to the financial markets.
 - ii. At least one person may be inducted having experience and background in finance / accounts who may preferably be inducted in the audit committee.

¹⁸ The maximum numbers of directors of the Company has been increased from Twelve to Eighteen (12 to 18) vide, Special Resolution passed at the AGM dated September 24, 2004 and Central Government's approval Order No. 3/91204-CL.VII dated April 1, 2005. Amended vide Special Resolution passed in AGM dated August 9, 2011.

- iii. Persons currently holding positions of trust and responsibility in reputed organisations or person who have retired from such positions.
- iv. Persons who are likely to have interested positions in commercial contracts and financial affairs of stock exchanges, may be excluded. Also, persons who are regular traders/speculators in the market or are director in the board of the promoter entity of the Stock Exchange or Clearing Corporation shall be excluded.

Conditions of appointment of directors.

- (1) The appointment and re-appointment of all directors on the governing board of the Company shall be with the prior approval of the SEBI. Prospective candidates for the position of directorship should be eligible to be so appointed in terms of the provisions in SECC Regulations, the Act and directions of SEBI, any other regulator, government or governmental body.
- (2) The public interest directors on the governing board of the Company shall be nominated by SEBI.
- (3) SEBI may from time to time, generally after taking into consideration the names of the persons forwarded by the Board of Directors of the Company nominate the public interest directors on the Board of Directors of the Company from amongst the persons of integrity having necessary professional competence and experience in the areas related to commodities and/or securities markets.
- (4) SEBI shall however, have the right to nominate persons, whose names have not been forwarded by the Board of Directors of the Company.
- (5) The shareholder' approval shall not be necessary for Public Interest Directors appointed by SEBI.
- (6) Public interest directors shall be nominated for a fixed term of three years, or for such extended period, as may be approved by SEBI.
- (7) A public interest director may be renominated after a cooling-off period of one year or such period as SEBI may deem fit in the interest of the market.
- (8) Public interest directors shall not be subject to retirement by rotation.
- (9) Public interest directors shall peruse the relevant laws, code of conduct, code of ethics, etc., and submit an undertaking to the Company that they are aware of their role, responsibilities and obligations.
- (10) Public interest directors shall not be simultaneously be on the Board of Directors of any other stock exchange/clearing corporation or their subsidiaries.
- (11) If any issue arises as to whether an assignment or position of a public interest director is in conflict with his role, the decision of SEBI shall be final.
- (12) Public interest directors shall be paid only sitting fees as specified in the Act.
- (13) A Public interest director may not be removed other than by SEBI.
- (14) A Public Interest Director may resign his position like any other Director. However, the Public Interest Director shall continue holding the post, till a new Public Interest Director is appointed in his place.
- (15) The names of persons to be appointed as shareholder directors shall first be approved by the governing board of the Company, followed by shareholders' approval before submitting the same to SEBI for approval.

Procedure for appointment of Directors

- 1 All directors while seeking approval shall submit to the Company the following details:-
 - a) Name
 - b) Address

- c) Educational qualification
 - d) Details of employment/ Occupation, past and present
 - e) Details of other directorships
 - f) DIN No.
 - g) Declaration regarding the fulfillment of requirements specified under regulation 20 of SECC Regulations.
 - h) Declaration confirming compliance of Regulation 23(7) read with Regulation 2(1)(b) of SECC Regulations, in respect of non-association with trading member or clearing member.
 - i) Details of regulatory action taken against by any statutory authority in India.
 - j) Details of activities that may in the opinion of the director, lead to his disqualification.
 - k) Association with trading members/clearing members of stock exchanges/clearing corporations.
 - l) Disclosure of the names of his dependents associated with the securities market as member, sub-broker, authorized person or holding any SEBI registration.
 - m) An undertaking that he shall abide by the code of conduct and code of ethics prescribed in Part A and Part B of Schedule II to SECC Regulations.
 - n) In the case of public interest directors, consent letters for acting as a public interest director.
 - o) Pending / completed criminal cases pending before any authority in India or abroad, if any.
2. The Company shall forward the above details to SEBI while recommending their names along with the minutes of the governing board meeting where their name/s was approved, copy of the shareholder's resolution (wherever applicable), a confirmation by the Company that they are fit and proper persons in terms of their fit and proper criteria and are not associated with any trading member or clearing member in terms of regulation 23(7) read with regulation 2(1)(b) of SECC Regulations.

Restriction on becoming a director

- a. A person shall not be eligible for appointment as a director of the Company, if such a person incurs any of the disqualifications for appointment as a director as stated in section 164 of the Act.
- b. A person shall not be eligible for appointment as a director of the Company, if such a person does not fulfil the criteria of being a 'fit and proper' person in terms of the provisions in regulation 20 of SECC Regulations.
- c. Further, no trading member or clearing member, or their associates and agents, irrespective of the stock exchange/clearing corporation of which they are members, shall be on the Board of Directors of the Company.
- d. A person who is a director in an entity, that itself is a trading member or clearing member or has associate(s) as trading member(s) or clearing member(s) in terms of regulation 2(1)(b), of SECC Regulations, he will be deemed to be trading member or clearing member.
- e. Provided a person will not be deemed to be a trading member and/or a clearing member or his associate for the purpose of regulation 23(7) of SECC Regulations, if he is on the Board of Directors of a public financial institution (PFI) or a bank which is in the public sector or which either has no identifiable ultimate promoter or the ultimate promoter is in the public sector or has well diversified shareholding, and such PFI or bank or its associate is a trading member and/or a clearing member.

- f. Further, independent directors of associates of PFI or bank in the public sector, which is a clearing member and/or a trading member and where the majority shareholding is that of such PFI or bank in the public sector, will not be deemed to be a clearing member and/or a trading member for the purpose of regulation 23(7) of SECC Regulations.
- g. No foreign institutional investor shall have any representation in the Board of Directors of the Company.
- h. no trading member or clearing member, or their associates and agents, irrespective of the stock exchange/ clearing corporation of which they are members, shall be on the governing board of the Company.
- i. The appointment shall be subject to fulfillment of other requirements and satisfaction of SEBI in accordance with SECC Regulations.

Applicability of Code of Conduct and Code of Ethics for Directors

- a. As prescribed by the SECC Regulations, every director of the Company shall abide by the Code of Conduct specified under Part - A of Schedule - II of the said regulations.
- b. Every director of the Company shall abide by the Code of Ethics specified under Part - B of Schedule - II of the said regulations.

Shareholders to appoint Directors

Subject to the provisions of Section 152 of the Act and that of SECC Regulations in this regard, other than Public Interest Directors (who shall not be subjected to retirement by rotation), all other Directors shall be appointed by the shareholders of the Company in a General Meeting.

The names of persons to be appointed as shareholder directors shall first be approved by the Governing board of the stock exchange, followed by shareholders' approval before submitting the same to SEBI for approval.

The manner of election, appointment, tenure, resignation, vacation etc. of shareholder directors shall be governed by the Companies Act, 1956 save as otherwise specifically provided under the SECC Regulations or in accordance with the Securities Contracts (Regulations) Act, 1956, circulars issued thereunder.

Share Qualification

No share qualification shall be required to be held by any Director.

Additional Director

The Board shall have power, at any time and from time to time, to appoint, subject to prior approval of SEBI and compliance of SECC Regulations in this regard, any person as a Director, as an addition to the Board, but so that the total number of Directors shall not at any time exceed the maximum number fixed by these Articles. Any Director so appointed shall hold office only until the next Annual general Meeting of the Company but shall be eligible to be elected at such meeting.

Mumbai,
dated 19 September 2016

AJAY PURI,
Company Secretary.

Serial No. M-16204

Continue from Part 1

**ARTICLES OF ASSOCIATION
OF
MULTICOMMODITY EXCHANGE OF INDIA LIMITED**

36. CHAIRMAN & VICE CHAIRMAN

Chairman & Vice Chairman of the Board of Directors

The Board of Directors may appoint one of the Public Interest Directors as the Chairman of the Board and one of the Public Interest Directors as Vice Chairman of the Board. The Chairman shall not have executive powers or functions and he shall not be a person having trading interest in the futures trading conducted by the Exchange. The Chairman so appointed shall preside at the meetings of the Board.

37. MANAGING DIRECTOR / WHOLE TIME DIRECTOR

The Board may from time to time appoint any one or more Directors to be the Managing Director(s) or Whole Time Director(s) of the Company on such terms and conditions as the Board may think fit and for a fixed term or without any limitation as to the period for which he is to hold such office, and may from time to time (subject to the provisions of any contract between him and the Company) remove or dismiss him from office and appoint another in his place. The Board may similarly appoint one or more Deputy Managing Director(s) of the Company.

The Managing Director shall function as the Chief Executive of the Exchange and all powers in respect of the day-to-day affairs of the Company shall be vested with him. Besides, the Board may delegate on him such other powers and responsibilities, as it may deem fit, from time to time. The Managing Director shall be empowered to delegate such powers and functions to other officers or committees or Advisory Boards, as he may desire.

Provided further that -

- a. The appointment, renewal of appointment, re-appointment and termination of service of the managing directors of the Company shall be subject to prior approval of SEBI.
- b. The Company shall, subject to the guidelines issued by SEBI from time to time, determine the qualification, manner of appointment, terms and conditions of appointment and other procedural formalities associated with the selection/ appointment of the managing director.
- c. The appointment of the managing director shall be for a tenure not less than 3 (three) years and not exceeding 5 (five) years and subject to such terms and conditions as may be specified by SEBI in this regard.
- d. The managing director of the Company shall not –
 - i. be a shareholder or an associate of a shareholder of a recognised stock exchange or recognised clearing corporation, as the case may be; or

- ii. be a trading member or a clearing member, or his associate and/or agent, or shareholder of a trading member or clearing member or shareholder of an associate and/or agent of a trading member or a clearing member; or
- iii. hold any position concurrently in the subsidiary of a recognised stock exchange or a recognised clearing corporation, or in any other entity associated with a recognised stock exchange or a recognised clearing corporation.
- e. Provided that the managing director of the Company may be appointed on the Board of Directors, but not as managing director, of the subsidiary of the Company or a recognised clearing corporation, as the case may be.
- f. The managing director shall be liable for removal or termination of services by the Board of Directors of the Company with the prior approval of SEBI for failure to give effect to the directions, guidelines and other orders issued by the Board of Directors, SEBI, or the rules, the articles of association, bye-laws and regulations of the Company.
- g. SEBI may *suo motu* remove or terminate the appointment of the managing director if deemed fit in the interest of securities market.
- h. Provided that no managing director shall be removed unless he has been given a reasonable opportunity of being heard.

Compensation payable to the Managing Director

The compensation payable to the managing director shall be as approved by the Board of Directors, in accordance with the provisions in SECC Regulations, and with prior approval of SEBI.

The terms and conditions of the compensation of the managing director shall not be changed without prior approval of SEBI.

38. Removal of Directors

The Company may remove any Director before the expiration of his period of office in accordance with the relevant provisions of the Act /Regulations and these Articles.

- a. The public interest directors appointed by SEBI cannot be removed by the Company.
- b. The Company may, by an ordinary resolution to be passed at the general meeting, remove any other director before the expiration of his period of office in accordance with the provisions of Act and these Articles, appoint another person in his stead.
- c. Provided that a special notice shall be required in respect of the resolution to remove a director under this Article or to appoint somebody instead of a director so removed at the meeting at which he is removed.
- d. On receipt of notice of a resolution to remove a director under this Article, the Company shall forthwith send a copy thereof to the director concerned, and the director (whether or not he is a member of the Company) shall be entitled to be heard on the resolution at the meeting.
- e. Where notice is given of a resolution to remove a director under this Article and the director

concerned makes with respect to thereto representations in writing to the Company (not exceeding a reasonable length) and requests their notification to members of the Company, the Company shall unless the representations are received by it too late for it to do so -

- i. in any notice of the resolution given to members of the Company, state the fact of the representation having been made, and
- ii. send a copy of the representation to every member of the Company to whom notice of the meeting is sent (whether before or after receipt of the representations by the Company) and
- iii. if a copy of the representations is not sent as aforesaid because they were received too late or because of the Company's default, the Director may (without prejudice to his right to be heard orally) require that the representations shall be read out at the meeting provided that copies of the representations need not be sent out and the representations need not be read out at the meeting, if on the application either of the Company or any other person who claims to be aggrieved, the Court is satisfied that the rights conferred by this clause are being abused to secure needless publicity for defamatory matter.
- f. SEBI may, for any failure by the directors to abide by these presents or the Code of Conduct or Code of Ethics or in case of any conflict of interest, either upon a reference from the recognised stock exchange or *suo moto*, take appropriate action including removal or termination of the appointment of any director, after providing him a reasonable opportunity of being heard.

39. Board may fill up casual vacancies

If any Director appointed by the Company in General Meeting vacates his office as a Director before his term of office expires in the normal course, the resulting casual vacancy may be, subject to prior approval of SEBI, filled by the Board at a meeting; but any person so appointed shall remain in his office so long only as the vacating Director would have remained if no such vacancy had occurred, provided that the said vacancy shall not be filled by appointment thereto of any person who has been removed from the office of Director under these Articles.

40. Remuneration of Directors

- a. Subject to the provisions of the Act, SECC Regulations and directions of SEBI in this regard, a Managing Director or a Director who is in the whole-time employment of the Company may be paid remuneration either by way of a monthly payment or at a specified percentage of the net profits of the Company or partly by one way and partly by the other or otherwise in any other mode not expressly prohibited by the Act.
- b. Subject to the provisions of the Act, a Director, who is neither a Managing Director nor in the whole-time employment of the Company, may be subject to provisions in this regard contained in the Act, SECC Regulations and directions of SEBI paid remuneration either:
 - i By way of monthly, quarterly or annual payment with the approval of the Government; or
 - ii By way of commission, if the Company authorises such payment by a special resolution.
- c. The fee payable to a Director (excluding a Managing Director or a whole-time Director) for attending a meeting of the Board or Committee thereof shall be such sum as may be decided by the Board, not exceeding the maximum sum as may be allowed to be paid under the provisions of the Companies Act and rules made thereunder.
- d. If any Director be called upon to perform extra services or special exertions or efforts (which expression shall include work done by a Director as a member of any Committee formed by the Directors), the Board may arrange with such Director for such special remuneration for such extra services or special exertions or efforts either by a fixed sum or otherwise as may be

determined by the Board and such remuneration may be either in addition to or in substitution for his remuneration above provided.

- e. The Directors shall allow and pay to any Director who is not a bona fide resident in the place where meetings of the Directors or of a Committee are ordinarily held and who shall come to such place or who incurs travelling & other expenses for attending a meeting of the Board or a Committee, such sum as the Directors may consider fair compensation for his travelling and other expenses for attending a meeting of the Board or a Committee in addition to his fee for attending such meeting.

41. Vacation of office of Director

The office of a Director and any other office held by virtue of such directorship shall become vacant forthwith if at any time the conditions laid down in Section 283 of the Act are fulfilled and/or if a Director including the Non-retiring Directors is suspended, expelled or declared as a defaulter by the Exchange.

42. Alternate Director

- a. The Board may appoint subject to prior approval of SEBI, as an Alternate Director for a Director (hereinafter called the Original Director) during the Original Director's absence for a period of not less than three (3) months from the State in which the meetings of the Board are ordinarily held.
- b. An Alternate Director appointed under this Article shall not hold office as such for a period longer than that permissible to the Original Director in whose place he has been appointed and shall vacate office if and when the Original Director returns to the State in which the meetings of the Board are ordinarily held.
- c. An Alternate Director while holding office as such shall be entitled to notice of meetings of the Directors and to attend and vote thereat accordingly.
- d. If the term of office of the Original Director is determined before he returns to the State in which the meetings of the Board are ordinarily held, any provision in the Act or in these Articles for the automatic re-appointment of Retiring Director in default of another appointment shall apply to the Original Director and not to the Alternate Director.

43. Director may contract with the Company

- a. Subject to the provisions of Section 314 of the Act, no Director shall be disqualified from his office by holding any office or place of profit under the Company or under any company in which this Company shall be a shareholder, or otherwise interested, or which is a shareholder in this Company, or from contracting with the Company either as vendor, purchaser or otherwise, nor shall any such contract, or any contract or arrangement entered into by or on behalf of the company in which any Director shall be in any way interested, be avoided, nor shall any Director be liable to account to the Company for any profit arising from any such office or place of profit or released by any such contract or arrangement by reason only of such Director holding that office or of the fiduciary relations thereby established, but it is declared that the nature of his interest shall have been disclosed by him at the meeting of the Directors at which the contract or arrangement is determined on, if his interest then existed or in any other case, at the first meeting of the Directors after the acquisition of his interest.
- b. Subject to the relevant provisions of the Companies Act, 1956, no Director shall as a Director vote in respect of any contract / arrangement in which he is so interested as aforesaid and if he does so vote, his vote shall not be counted. Such prohibition shall not apply to any contract by or on behalf of the Company to give the Directors or any of them any security for advance or by way of indemnity.
- c. A general notice in the prescribed form that a Director is a member of any specified firm or company, and that he is to be regarded as interested in all transactions with that firm or company,

shall be sufficient disclosure under this clause as regards such Director and such transactions, and after such general notice it shall not be necessary to give any special notice regarding any particular transaction with that firm or company.

44. Rotation, Retirement, Resignation and Removal of Directors

a. ¹⁹ **Rotation and retirement of Directors :**

At every Annual General Meeting one third of such of the Directors for the time being are liable to retire by rotation or if their number is not three or multiple of three, then the number nearest to one-third shall retire from office. The Directors to retire in such cases shall be those who have been longest in office since their last appointment but as between persons who became directors on the same day, shall (unless they otherwise agree among themselves) be determined by lot.

Provided that the public interest director(s) nominated by SEBI, the Managing Director(s), and Whole Time Director(s), if any, shall not be liable to retirement by rotation and shall not be counted for the purpose of determining the number of directors liable to retire by rotation.

b. A Retiring Director shall be eligible for re-election. The Company at the General Meeting at which a Director retires in the manner aforesaid may fill up the vacated office by electing him or another person thereto.

c. Subject to Section 256 of the Act, if any meeting at which an election of Directors ought to take place, the place of the vacating Director is not filled up and the meeting has not expressly resolved not to fill up the vacancy, the meeting shall stand adjourned till the same day in the next week or if that day is a public holiday till the next succeeding day which is not a public holiday at the same time and place and if at the adjourned meeting the place of vacating Directors is not filled up and that meeting has also not expressly resolved not to fill up the vacancy, then the vacating Director or such of them as have not had their places filled up shall be deemed to have been re-appointed at the adjourned meeting.

d. **Resignation of Directors**

a. Any director may resign from the Company by tendering his resignation in writing to the Company, and the same shall take effect from the date of its acceptance by the Board of Directors or the Company in the general meeting.

b. However, the public interest director shall continue holding the post, till a new independent director is appointed in his place, if due to his resignation, the total number of public interest directors goes below the total number of shareholder directors.

45. General Meeting to increase or reduce the number of Directors

Subject to the provisions contained in these Articles and Sections 252, 255 and 259 of the Act, the Company in General Meeting may increase or decrease the number of its Directors.

Provided that the number of public interest directors / non-executive directors will always constitute not less than one half of the Board.

46. Rights of persons other than retiring Directors to stand for Directorship

A person not being a retiring Director shall be eligible for appointment to the office of a Director at any General Meeting if he or some other Member intending to propose him as a Director has left at the office of the Company, not less than fourteen (14) days before the meeting, a notice in writing under his hand to signify his candidature for the office of the Director or the intention of such Member to propose him as a candidate for the office, as the case may be; provided that, such person has signed and filed with the Company a consent in writing to act as such Director, if appointed, along with a

¹⁹ Amended vide Special Resolution passed at the AGM on September 1, 2007.

deposit of such sum and subject to such conditions as may be specified in Section 257 of the Act.

Acts done by the Board valid notwithstanding defective appointment

All acts done by Board, or by any person acting as a Director shall notwithstanding that it may be afterwards discovered that there was some defect in the appointment of any one or more of such Directors or of any person acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such Director and such person had been appointed and was qualified to be a Director as the case may be.

PROCEEDINGS OF THE BOARD OF DIRECTORS

47. Meeting of the Board

- a. The Board may meet for the dispatch of business, adjourn and otherwise regulate its meetings as it thinks fit; provided that a meeting of the Board shall be held at least once in every three (3) calendar months and at least four (4) such meetings shall be held every year.
- b. ²⁰ The Chairman or Managing Director, may and the Secretary shall on the request of two or more Directors summon a meeting of the Board. Meetings of the Board of the Company shall be held pursuant to a notice of at least seven (7) days or such shorter notice as may be agreed by the directors. The notice of meeting of the Board shall be given in writing to every Director, whether absentee or alternate, at his usual address whether in India or abroad.
- c. Where a notice of meeting is required to be given to a Director who is not in India, the notice shall be given by telex or facsimile (fax) or Email transmission at the telex or fax number or Email address provided by such Director. The service of notice shall be deemed to have been effected on the first working day following the day on which the telex or fax or Email is sent.
- d. Every notice convening a meeting of the Board shall set out the agenda of the business to be transacted thereat in full and sufficient details. Unless otherwise agreed to by all the Directors for the time being of the Company, no item of business shall be transacted at such meeting, which had not been stated in full and sufficient detail in the said notice convening the meeting.

48. Procedure where meeting adjourned for want of quorum

- a. ²¹ If a meeting of the Board or a committee of the Board or of any adjournment or adjournments thereof cannot be held for want of quorum, then every such original or adjourned meeting shall stand adjourned from time to time to such day, time and place as the director or directors present at such meeting may fix.
- b. The provisions relating to frequency and time period for holding Board meetings shall not be deemed to have been contravened merely by reason of the fact that a meeting of the Board which had been called in compliance with the terms of that Article could not be held for want of a quorum.

49. Resolution by circulation

Save as otherwise expressly provided in the Act, a resolution shall be as valid and effectual as if it had been passed by the Board or a Committee constituted by the Board, as the case may be, duly called and constituted if a draft thereof in writing is circulated with the necessary papers, if any, to all the Directors or to all the Members of the Committee (including absentee Directors / Members), as the case may be, at the usual address whether in or outside India, and has been approved in writing by a majority of such of them as are entitled to vote on the resolution.

50. How questions decided

- a. Save as otherwise expressly provided in the Act and these Articles, a meeting of the Directors at

²⁰ Substituted vide Special Resolution passed at the EGM on January 13, 2006

²¹ Substituted vide Special Resolution passed at the EGM on January 13, 2006.

which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions by or under the regulations of the Company for the time being vested in or exercisable by Directors generally.

- b. All questions arising at any meeting of the Board shall be decided by a majority of votes.
- c. In the case of an equality of votes, the Chairman shall have a second or casting vote in addition to his vote as a Director.
- d. Notwithstanding anything to the contrary herein contained, any and all resolutions on the matters enumerated below shall be passed only at a meeting of the Board by a majority vote:
 - i Admission to membership of the Exchange;
 - ii To expel or suspend a Member of the Exchange;
 - iii To withdraw any of the membership rights of a Member of the Exchange except those which may deal with his risk management and routine operations in the market which would be handled by the relevant authority of the Exchange as may be specified in the Bye-Laws, Rules and Regulations;
 - iv To impose a fine in lieu of penalty of suspension or expulsion on a member of the Exchange;
 - v To reduce, remit, rescind, revoke or modify its resolution expelling or suspending any Exchange Member or withdrawing all or any of the membership rights of a Member of the Exchange;
 - vi Individual plans and projects for which the expenditure is capital in nature and for which the amount exceeds Rupees ten lakh (Rs. 10,00,000);
 - vii Borrowings, loans, issuing debentures and any other financial undertakings, except within the limits approved in the budgets referred to in sub-clause (xi) hereof;
 - viii Establishing limits of issuance of guarantees in the ordinary course of business;
 - ix Establishing bank accounts and authorized signatories for the same or empowering a Committee of Directors to establish such bank accounts and authorized signatories for the same;
 - x Issuance of new shares;
 - xi Approval of the company's annual budgets;
 - xii Investment in other companies;
 - xiii Increase or reduction of the share capital;
 - xiv Recommending the declaration and distribution of cash or stock dividends;
 - xv Merger into or with or acquisition of all part of the business of another juridical person;
 - xvi Dissolution or voluntary bankruptcy;
 - xvii Significant changes in management or organisation, including employment, appointment or removal of the Chief Executive Officer or the Managing Director or Advisors or any whole-time Director, Secretary or General Manager and all functional heads and determining their powers and duties;
 - xviii All matters relating to salary, pension, profit sharing, and any other employee benefits, which results in a variation exceeding twenty per cent (20%) from the current levels;
 - xix Appointment or removal of an external auditor;
 - xx Constituting of committees, and delegation of powers to such committees to meet the various requirements of these presents and the Bye-Laws, Rules and Regulations of the Exchange as prescribed therein; and
 - xxi All real estate transactions over Rupees ten lakh (Rs. 10,00,000).

51. **Quorum**

The quorum for a meeting of the Board shall be one-third of its total strength, (any fraction contained in that one-third being rounded off as one) or three (3) Directors whichever is higher, provided that, where at any time the number of interested Directors is equal to or exceeds two-thirds of the total strength, the number of Directors who are not interested, present at the meeting, being not less than three (3), shall be the quorum during such time. The total strength of the Board shall mean the number of Directors actually holding office as Directors on the date of the resolution or meeting; that is, the total strength of the Board after deducting there from the number of Directors, if any, whose places are vacant at that time.

Presence of the Chairman or at least one of the Public Interest Director (who shall then Chair the meeting in the absence of the Chairman, as provided below) is required to constitute the quorum.

52. **Chairman of the meetings**

If there is any vacancy in the office of the Chairman or if at any meeting the Chairman is not present within half an hour after the time appointed for holding the meeting, the Directors may choose one among the Public Interest Directors present at the meeting to be the chairman of the meeting.

53. **Delegation of powers**

- a. The Board may, subject to the provisions of Section 292 of the Act and the other provisions of the Act and these Articles, delegate any of its powers to any committee or relevant authority consisting of such persons, as it thinks fit.
- b. Any committee or relevant authority so formed shall, in the exercise of the powers so delegated, conform to any regulations that may be imposed on it by the Board or that may be specified by or directed by SEBI. Each such committee or relevant authority shall exercise such powers and duties and be subject to such regulations, if any, as are set out in their respective behalves by the Bye-laws, Rules and Regulations of the Exchange and subject thereto any direction, Bye-laws or Regulations that may be framed or made by the Board and/or by SEBI from time to time in that behalf. The Board may decide the remuneration or fees or any other amount that may be payable to the persons appointed on different committees or relevant authority for attending their meetings and for carrying out any work and also sanction the necessary expenses incurred for the effective functioning of the Committees or relevant authorities.

Committees of the Board and other Committees

The Board of Directors shall constitute, reconstitute the committees in accordance with the constitutions prescribed by SEBI /other regulator from time to time and/or dissolve committees of the Board comprising as their members some or all of the Directors and/or other persons and/or employees for any general or specific purposes. The Board of Directors shall decide the terms of reference, quorum, periodicity, members of the committees, etc. and vest them with necessary powers, authority, obligations and responsibilities.

The Board of Directors shall constitute and/or reconstitute various mandatory and/or statutory committees and/or advisory committee and/or independent oversight committees in terms of provisions under SECC Regulations, Procedural Norms, the Act and rules framed thereunder or as may be directed by SEBI or any other regulator or governmental agencies from time to time.

POWERS OF BOARD OF DIRECTORS

54. **General powers of the Exchange vested in Board**

Without prejudice to the generality of the powers conferred by these Articles and the rules framed thereunder, the Board is empowered to make Bye-laws, Rules and Regulations from time to time, for any or all matters relating to the conduct of the business of the Exchange, the business and

transactions of the Members of the Exchange, between Members of the Exchange as well as between the Members of the Exchange and persons who are not Members of the Exchange, and to control, define and regulate all such Exchange transactions, and especially to make Bye-laws, Rules and Regulations for matters relating to the functioning of the Exchange, including the following matters:

- a. For admission of various classes of members of the Exchange as well as other market intermediaries and to fix their admission fee, security deposits, applicability of net worth and other criteria, including the power for waiver of certain conditions in respect of specific class of members of the Exchange or in special cases, as it may deem fit, in the interests of the Exchange and promotion of trade;
- b. For the conduct of the business of the Exchange;
- c. For the conduct of the business of the Members of the Exchange with other Members of the Exchange or with persons who are not members of the Exchange and to govern all matters relating to the sale, purchase, clearance, registration, annulment and settlement of all contracts in commodities of all kinds between Members of the Exchange and any person who is not a Member of the Exchange and all contracts which are or have been made subject to the Bye-laws, Rules and Regulations, or usage of the Exchange or the Company;
- d. To prescribe the maximum allowable open position for various commodities or for various contracts traded on the Exchange in quantitative or percentage terms, including the power to allow relaxation on the basis of stock certificate or export / import commitment or otherwise;
- e. To prescribe and define the consequence, effect and procedure to be followed on the suspension or expulsion or declaration as defaulter of any Member of the Exchange;
 - i. To prescribe and provide that in the event of any Member of the Exchange being suspended, expelled or declared defaulter, all pending contracts between such Member of the Exchange and the Exchange that have been cleared by the Member of the Exchange be adjusted and closed out irrespective of the period of performance or maturity or expiration of the said contracts not having expired.
 - ii. to provide, regulate and empower the Board or any committee constituted by the Board or that of committee members to fix the prices and rates at which such contracts shall be adjusted and closed out by other Members of the Exchange, and
 - iii. to provide that all moneys arising out of and becoming payable on such adjustment and closing out of contracts shall be payable to the Exchange and shall be paid into a "Guarantee Fund" by whatever name called, or such other fund as may be decided, and that such "Guarantee Fund" or such other fund, as the case may be, shall stand charged with and shall be utilised for payment of all debts, claims and dues by such defaulter, expelled or suspended Exchange Member to the Exchange or the Company or any other Exchange Members in priority to all outside creditors.

55. Board's power to amend Bye-laws, Rules and Regulations

Subject to the provisions of the Act and these presents and also subject to approval of SEBI, the Board shall have the power from time to time, to frame, vary, amend or repeal or add to Bye-laws, Rules and Regulations framed in exercise of any powers conferred on the Board by these Articles and all such Bye-laws, Rules and Regulations shall come into force if the sanction of the Government, if required by the Act and the Rules framed there under, has been obtained immediately on passing the same and otherwise immediately on such sanction being received.

56. SPECIFIC POWERS AND DUTIES OF BOARD OF DIRECTORS

Without prejudice to the generality of the powers conferred by these presents, the Board may manage the business of the Company/Exchange through one or more Managing Directors / Deputy Managing Director, or Chief Executive Officers in such manner as the Board may from time to time determine. The Board shall identify one of them subject to the approval of SEBI to be the Chief Executive of the

Exchange, who shall be responsible for all the affairs of the Exchange. His appointment and dismissal shall be with the prior approval of the concurrence of SEBI. It is hereby expressly declared that the Board shall, subject to these presents and to the provisions of the Act have the following powers:

- a. To refer any claims or demands by or against the Exchange/Company to arbitration and / or survey and observe and perform the awards;
- b. To act on behalf of the Exchange in all matters relating to bankrupt and insolvent Members of the Exchange;
- c. To appoint any person to be the attorney or agent of the Exchange with such powers and on such terms as may be thought fit;
- d. To appoint any advocate or attorney to be the standing counsel or specially for any case or matter and to pay such remuneration as it deems fit;
- e. To examine and investigate the financial conditions, business conduct and dealings of Members of the Exchange;
- f. To settle dispute, complaints, claims arising between Exchange Members inter se as well as between Members of the Exchange and persons who are not Members of the Exchange relating to any transaction or contracts made subject to these presents, Bye-laws, Rules and Regulations and practice of the Exchange including settlement by arbitration in accordance with these presents, Bye-laws, Rules and Regulations in force from time to time;
- g. To carry on and transact the several kinds of business specified in clause III of the Memorandum of Association of the Company;
- h. To purchase, take on lease or license or otherwise acquire in India any lands (whether free-hold, leasehold or otherwise) and with or without buildings, structures or machinery (fixed or loose) and any movable property, rights, privileges from any person including a Director of the Company in furtherance of or for carrying out its objects at or for such price or consideration and generally on such terms and conditions and with such title thereto as they may think fit or may believe or be advised to be reasonably satisfactory;
- i. To purchase or otherwise acquire from any person and to sell or exchange any patent or technical know-how or license for the use of any invention and to purchase or otherwise acquire for the Company any other property, formulae, concessions, rights and privileges which the Company is authorized to acquire at such price or consideration and generally on such terms and conditions as it may think fit;
- j. To undertake on behalf of the Company the payment of all rents or compensation and the performance of all covenants, conditions and agreements contained in or reserved by any lease or license that may be granted by the Company and to purchase or otherwise acquire the freehold title of all or any of the lands of the Company for the time being held under lease or for an estate less than a freehold estate;
- k. To draw, accept and endorse, discount, negotiate and discharge on behalf of the Company all bills of exchange, promissory notes, cheques, drafts, railways receipts, dock warrants, warehouse receipts, delivery orders, government promissory notes, other government instruments, bonds, debentures or debenture stocks of corporations, local bodies, port trusts, improvement trusts or other corporate bodies and to execute transfer deeds for transferring stocks, shares or stock certificates of the government and other local or corporate bodies in connection with any business or any object of the Company;
- l. To pay for, at its discretion, any property, rights or privileges acquired by or services rendered to the Company, either wholly or partially in cash or in shares, bonds, debentures or other securities of the Company, and any such shares may be issued either as fully paid-up or with amount credited as paid-up thereon as may be agreed upon and any such bonds, debentures or other securities maybe either specifically charged upon all or any of the property of the Company or not so charged;

- m. To engage and at its discretion remove, change, suspend, dismiss and/or remunerate professionals, employees of every description, banks and financial institutions as may be necessary upon such terms and conditions as it thinks fit;
- n. To accept from any Member, on such terms and conditions as shall be agreed surrender of his shares or stock or any part thereof of the company and/or the membership of the Exchange;
- o. To secure the fulfilment of any contracts or agreements entered into by the Company, by mortgage or charge of all or any of the property of the Company or in such other manner as it may think fit;
- p. To institute, conduct, defend, compound or abandon any actions, suits, and legal proceedings by or against the Company or its officers or otherwise concerning the affairs of the Company and also to compound or compromise or submit to arbitration the same actions, suits and legal proceedings;
- q. To make and give receipts, releases and other discharges for money payable to the Company, and for the claims and demands of the Company;
- r. To determine who shall be entitled to sign on the Company's behalf bills of exchanges, promissory notes, dividend warrants, cheques and other negotiable instruments, receipts, acceptances, endorsements, releases, contracts, deeds and such other documents;
- s. To provide for, from time to time, the management of the affairs of the Company abroad in such manner as it may think fit and in particular to appoint any person to be the attorney or agent of the Company either abroad or in India with such powers including power to sub-delegate and upon such terms as may be thought fit;
- t. To invest and deal with any of the moneys of the Company not immediately required for the purposes thereof upon such securities as it may think fit;
- u. To execute in the name and on behalf of the Company in favour of any Directors or other person who may incur or be about to incur any personal liability for the benefit of the Company such mortgages of the Company's property (present and future) as it may think fit and any such mortgage may contain a power of sale and such other powers, covenants and provisions as shall be agreed upon;
- v. To give to any person employed by the Company or to any commodity Exchange a commission on the profits and/or royalty or profit of any particular business or transaction, or share in the general profits of the Company; and such commission, royalty or share of profits shall be treated as part of the working expenses of the Company;
- w. To make, vary and repeal Bye-laws, Rules and Regulations for the regulation of the business of the Company/Exchange, its officers and servants from time to time;
- x. To enter into all such negotiations and contracts and rescind and vary all such contracts, and execute and do all such acts, deeds and things in the name and on behalf of the Company as it may consider expedient for or in relation to any of the matters aforesaid, or otherwise for the purposes of the Company;
- y. To decide and pay salaries, allowances, gratuities, bonus, rewards, presents and gifts to employees or dependants of any deceased employees, to charitable institutions or purposes to subscribe for provident funds and other associations for the benefit of the employees; and
- z. To delegate powers, subject to Section 292 of the Companies Act, to such persons that it may think fit.

57. **Attorney of the Company**

- a. The Board may appoint at any time and from time to time by Power of Attorney under the Company's seal any person to be the attorney of the Company for such purposes and with such powers authorities and discretion not exceeding those vested in or exercisable by the Board under these Articles and for such period and subject to such conditions as the Board may from time to time think fit, and any such appointment may, if the Board thinks fit, be made in favour of any person or body nominated directly by the Board, and any such Power of Attorney may

contain such provisions for the protection or convenience of persons dealing with such attorney as the Board may think fit.

- b. The Board may authorise any such delegate or attorney as aforesaid to sub-delegate all or any powers, authorities and discretion for the time being vested in him.

58. Duty to maintain registers

The Board shall duly comply with the provision of the Act and in particular with the provisions in regard to the registration of the particulars of the mortgages and charges affecting the properties of the Company or created by it; to keep a Register of the Directors; to send to the Registrar an annual list of Members of the company and a summary of particulars of shares and stock, copies of special resolutions and other resolutions of the Board as are required to be filed with the Registrar under Section 192 of the Act and such other information or documents that are to be filed with the Registrar.

59. Duty to maintain record of minutes

- a. The Company shall comply with the requirements of Section 193 of the Act in respect of keeping of the minutes of all proceedings of every general meeting and of every meeting of the Board or any committee thereof.
- b. The chairman of any Meeting may exclude at his absolute discretion such of the matters as are or could reasonably be regarded as defamatory of any person, or irrelevant or immaterial to the proceedings, or detrimental to the interests of the Company.

60. Powers as to commencement of business or branch of business

Any branch or kind of business, which by the Memorandum of Association of the Company or these presents is expressly or by implication authorized to be undertaken by the Company, may be undertaken on being authorized by the Board at such time or times as the Board shall think fit and subject to the relevant provisions of the Companies Act; further, the Board, may keep them in abeyance, whether such branch or kind of business may have actually commenced or not, so long as the Board may deem it expedient not to commence or proceed with such branch or kind of business.

61. Delegation of powers

- a. The Board may from time to time delegate to and confer on any Managing Director / Deputy Managing Director or any whole-time Director or any person or persons, any or all of the powers which the Board of Directors may exercise in relation to the affairs of the Company and/or Exchange and on such terms and conditions and subject to such restrictions as the Board may deem fit (except those which are by law required to be exercised by the Board) and from time to time vary, modify, revoke or alter such delegation of the powers.
- b. The Board may, at any time, delegate all or any of the said powers and on such terms and conditions and subject to such restrictions as the Board may deem fit, either jointly or severally, at its discretion and from time to time vary, cancel or revoke any such delegation.

62. BORROWING POWERS

Subject to these Articles, the Board may, from time to time, but with such consent of the Company in general meeting as may be required under Section 293 of the Act, raise or borrow or secure the repayment of any moneys or sums of moneys for the purpose of the Company; provided that the moneys to be borrowed by the Company, apart from temporary loans obtained from the Company's bankers in the ordinary course of business, shall not, without the sanction of the Company at a general meeting, exceed the aggregate of the paid-up capital of the Company and its free reserves.

Provided that, every resolution passed by the Company or the power to borrow as stated above shall specify the total amount up to which moneys may be borrowed by the Board. The Directors may by a

resolution at a meeting of the Board delegate the above power to borrow money otherwise than on debentures to a committee of Directors or the Managing Director within the limits prescribed.

63. Borrowing powers and assignment of debentures

Subject to these presents, the Board may, from time to time, at their discretion, raise or borrow or secure the repayment of any sum or sums of money for the purpose of the Company at such time and in such manner and upon such terms and conditions as it thinks fit, and in particular, by promissory notes, or by opening overdraft accounts, or by receiving deposits and advances, with or without security, or by the issue of bonds, perpetual or redeemable, debentures or debenture stock of the Company charged upon all or any part of the property of the Company, present and future, including its uncalled capital for the time being, or by mortgaging or charging or pledging any land, buildings, goods, property and securities of the Company, or by such other means as may seem expedient.

64. ²² Term of Issue of Debenture

Any debentures, debenture stock or other securities may be issued at a discount, premium or otherwise, and may be issued on condition that they shall be convertible into shares of any denomination and with any privileges and conditions as to redemption, surrender, drawing, allotment of shares, attending (but not voting) at the general meeting, appointment of directors, and otherwise debentures with the right to conversion into or allotment of shares shall be issued only with the consent of the company in the general meeting by way of special resolution.

65. Concurrence

Any and all resolutions on the matters enumerated below, shall be placed or brought before the general meeting of the Members of the Company for their concurrence, if so required by the Act:

- a. Issuance of new shares;
- b. Sale, purchase and licensing of industrial property rights;
- c. Investment in other companies;
- d. Increase or reduction of the share capital;
- e. Merger into or with or acquisition of all or part of the business of another juridical person;
- f. Dissolution or voluntary bankruptcy; and
- g. Establishing regulations concerning the conduct of business and affairs of the Company

66. Nomination of Directors by Government or financial institution

In case the Central Government or any State Government or any industrial finance corporation, sponsored or financed by any of the above Governments, or any other financial institution, bank or agency grants loan or accepts participation in the capital of the Company in pursuance of any underwriting of the capital of the Company, such Government, corporation, other financial institution or bank may, if the Company so consents, be entitled, so long as such Government corporation, other financial institution or bank continues to be a creditor or shareholder in terms of such arrangement, to nominate, and from time to time to substitute in the place of such nominee, a Director to protect the interests of such Government, corporation, other financial institution or bank, on the Board of Directors of the Company. The Director, so nominated, shall not be liable for retirement by rotation or to hold any qualification shares. The appointing Government, corporation, other financial institution or bank may, from time to time, remove the person so appointed and appoint or re-appoint any other person in his place. In the event of any vacancy in the office of such Director, for any reason whatsoever, the Government, corporation, other financial institution or bank that appointed him, may appoint any other person to fill up such vacancy.

²² Inserted vide special resolution passed at the EGM dated January 13, 2006

67. Subsequent assignees of uncalled capital

Where any uncalled capital of the Company is charged, all persons taking any subsequent charge therein shall take the same subject to such prior charge; and shall not be entitled, by notice to the shareholders or otherwise, to obtain priority over such prior charge.

68. Powers to be exercised by Board only at a meeting

Subject to the provisions of these Articles hereof, the Board shall exercise the following powers on behalf of the Company and the same powers shall be exercised only by resolution passed at a meeting of the Board:

- a. Power to make calls on shareholders in respect of moneys unpaid on their shares;
- b. Power to issue debentures;
- c. Power to borrow moneys otherwise than on debentures;
- d. Power to invest the funds of the Company;
- e. Power to make loans.
- f. Power to Buy Back shares of the company

69. Delegation of powers to Committee/Managing Director

Subject to and in accordance with Section 292 of the Act, the Board may, by a resolution passed at a meeting, delegate to any committee or to the Managing Director / Deputy Managing Director or employee(s) the power specified in sub-clauses (c), (d), and (e) of the Article above, provided that every resolution delegating power set out in:

- a. sub-clause (c) shall specify the total amount outstanding at any time up to which moneys may be borrowed by the said delegate.
- b. sub-clause (d) shall specify the total amount up to which the funds may be invested and the nature of the investments which may be made by the delegate.
- c. sub-clause (e) above shall specify the total amount up to which loans may be made by the delegates and the purpose for which the loans may be made and the maximum amount of loan that may be made for such purpose in individual case.

70. Other powers to be exercised only at Board Meeting

The Board shall exercise the powers referred to in Sections 262, 292, 297, 316, 372A and 386 of the Act only at the meeting of the Board.

MANAGEMENT

71. Board may appoint Chief Operating Officer/Chief Executive Officer

- a. Subject to the provisions of the Act, SECC Regulations, directions and guidelines of SEBI in this regard and these Articles the Board of the Company may appoint or dismiss the Chief Operating Officer or Chief Executive Officer or Chief Executive of the Company upon such terms and conditions as the Board may think fit.
- b. The remuneration of a Chief Operating Officer or Chief Executive Officer or Chief Executive may be, subject to the guidelines of SECC Regulations, directions and guidelines of SEBI and with prior approval of SEBI, by way of a fixed monthly payment, or participation in profits or by way of a combination of one or more of the above modes or any other mode not expressly prohibited by the Act.
- c. A Chief Operating Officer or Chief Executive Officer or Chief Executive shall, subject to the supervision, control and direction of the Board, have such powers and perform such duties as the Board may from time to time determine.

Compliance Officer for the Exchange

- a. The Exchange shall appoint an officer or designate the secretary as the compliance officer and who shall be responsible for monitoring the compliance of the SEBI Act and the rules, regulations, or directions issued thereunder and for the redressal of investors' grievances, and to perform such other duties as may be required or prescribed by SEBI.
- b. The compliance officer for the Exchange shall, immediately and independently, report to the Board any non-compliance of any provision stated in clause (a) above observed by him.

Code of Ethics for key management personnel

- a. As prescribed by the SECC Regulations, every key management personnel of the Company shall abide by the Code of Ethics specified under Part - B of Schedule - II of the said Regulations
- b. Every key management personnel of the Company shall be a 'fit and proper' person as described in regulation 20 of SECC Regulations

Compensation and tenure of key management personnel

- a. The Exchange shall constitute a compensation committee comprising a majority of public interest directors and chaired by a public interest director.
- b. The compensation committee shall determine the compensation of key management personnel in terms of a compensation policy
- c. The compensation policy shall be in accordance with the norms specified by SEBI.
- d. The compensation given to the key management personnel shall be disclosed in the Report of the Company
- e. The tenure of a key management personnel, other than a director, shall be for a fixed period, as may be decided by the compensation committee.

Segregation of regulatory departments

The Company shall segregate its regulatory departments from other departments in the manner specified in Part - C of Schedule - II of SECC Regulations

Internal manual for conflict management

The Company shall put in place a policy for comprehensive training and awareness of its employees about various conflicts of interests involved in the functioning of its regulatory department

72. Appointment of Managers

If at any time the Company has no Chief Operating Officer or Chief Executive Officer or Chief Executive holding office, the business of the Company shall be managed by the Board and in such manner and through such officers as the Board may deem fit and the Board if they so deem fit, may subject to the provisions of Section 197A of the Act and with such sanction, if any, as may be required

for the purpose, appoint one or more persons as Manager(s) of the Company and on such remuneration as they deem fit.

73. Common Seal

The Board shall provide a common seal of the Company and shall have power from time to time to destroy the same and substitute a new seal in lieu thereof. The Board shall provide for the safe custody of the seal.

74. Affixing of Common Seal

Subject to these presents, the seal shall not be affixed to any instrument except by authority of a resolution of the Board or of a committee of the Board authorized by it in this behalf and unless the Board otherwise determines, every deed or other instrument to which the seal is required to be affixed, shall, unless the same is executed by a duly constituted attorney for the Company, be signed by one Director at least in whose presence the seal shall have been affixed and countersigned by the Secretary or such other persons as may from time to time be authorized by the Board; provided nevertheless that, any instrument bearing the seal of the Company and issued for valuable consideration shall be binding on the Company notwithstanding any irregularity touching the authority to issue the same.

DIVIDENDS AND RESERVES

75. Declaration of dividends

The Company in general meeting may declare dividends but no dividend shall exceed the amount recommended by the Board.

76. Interim dividend

The Board may from time to time pay to the Members such interim dividends as appear to them to be justified by the profits of the Company.

77. Dividends to be paid out of profits only

No dividend shall be payable except out of the profits of the year or any other undistributed profits except as provided by Section 205 of the Act.

78. Reserves

- a. The Board may, before recommending any dividend, set aside out of the profits of the Company, such amount as they think proper as a reserve, which shall, at the discretion of the Board, be applicable for any purpose to which the profit of the Company may be properly applied, including provision for meeting contingencies or for equalising dividends, and pending such application, may at its discretion either be employed in the business of the Company or be invested in such investment as the Board may, from time to time, think fit.
- b. The Board may also carry forward any profits, which it may think prudent not to divide, without setting them aside as reserve.

79. Dividends on amounts paid-up on shares

- a. Subject to the rights of persons if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid-up or credited as paid-up on the shares in respect whereof the dividend is paid.
- b. No amount paid or credited as paid-up on a share in advance of calls shall be treated for the purpose of these regulations as paid on the share.
- c. All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the

dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date, such share shall rank for dividend accordingly.

80. Adjustment of dividends against calls

Any general meeting declaring a dividend or bonus may make a call on the Members of such amount as the meeting fixes, but the call on each Member shall not exceed the dividend or bonus payable to him and the call can be made payable at the same time as the dividend or bonus and the dividend or bonus may if so arranged between the Company and the members be set off against the call.

81. Payment by cheque or warrant

- a. Any dividend, interest or other moneys payable in respect of shares may be paid by cheque or warrant sent through the post, to the registered address of the holder or in the case of joint holders to the registered address of that one of the joint holders, who is first named on the Register of Members or to such person and to such address as the holder or the joint holders may in writing direct.
- b. Every such cheque or warrant shall be made payable to order for the person to whom it is sent.
- c. Every such cheque or warrant shall be posted within a period from the date of declaration of dividend as may be specified in the Companies Act.

82. Receipts of joint-holders

Any one of two or more joint holders of a share may give effectual receipts for any dividends, bonuses or other moneys payable in respect of such shares.

83. No interest on dividend

No dividend shall bear interest against the Company.

84. ²³ Unclaimed dividends

Where the company has declared a dividend but which has not been paid or the dividend warrant in respect thereof has not been posted within 30 days of the date of declaration to any shareholder entitled to the payment of the dividend, the company shall, within 7 days of the date of expiry of the said period of 30 days, open a special account in that behalf in any scheduled bank called "Unpaid Dividend of Multi Commodity Exchange of India Limited" and transfer to the said account, the total amount of dividend which remains unpaid or in relation to which no dividend warrant has been posted.

Any money transferred to the unpaid dividend account of the company which remains unpaid or unclaimed for a period of seven years from the date of such transfer, shall be transferred by the company to the Fund established under Sec 205C of the Act.

No unclaimed dividend or unpaid dividend shall be forfeited by the Board.

85. Notice of dividend

Notice of any dividend that may have been declared shall be given to the Members in the manner mentioned in the Act.

²³ Inserted vide special resolution passed at the EGM dated January 13, 2006

86. Capitalization of profits

- a. Subject to these Articles, the Company in General Meeting, may on the recommendation of the Board, resolve:
 - i That it is desirable to capitalise any part of the amount for the time being standing to the credit of the Company's reserve accounts or to the credit of the profit and loss account or otherwise available for distribution; and
 - ii That such sums be accordingly set free for distribution in the manner specified in these presents, amongst the Members who would have been entitled thereto if distributed by way of dividend and in the same proportions.
- b. The sum aforesaid shall not be paid in cash but shall be applied, subject to the provisions contained herein below, either in or towards:
 - i Paying up any amounts for the time being unpaid on any shares held by such Members respectively;
 - ii Paying up in full, un-issued shares or debentures of the Company to be allotted and distributed, credited as fully paid-up, to and amongst such Members in the proportion aforesaid; or
 - iii Partly in the way specified in sub-clause b (i) and partly in that specified in sub-clause b (ii).
- c. A share premium account and a capital redemption reserve account may for the purpose of this regulation only be applied in the paying up of un-issued shares to be issued to Members of the Company as fully paid bonus shares.
- d. The Board shall give effect to the resolutions passed by the Company in general meeting in pursuance of this Article.

87. Directors' power to declare bonus

- a. Whenever a resolution to declare and distribute bonus, as aforesaid, shall have been passed, the Board shall:
 - i Make all appropriations and applications of the undivided profits resolved to be capitalised hereby and make all allotments and issue fully paid shares if any; and
 - ii Generally do all acts and things required to give effect thereto.
- b. The Board shall have the following powers:
 - i To make such provisions, by the issue of fraction certificates or by payments in cash or otherwise as they may think fit, in the case of shares becoming distributable in fractions; and also
 - ii To authorise any person to enter on behalf of all of the Members entitled thereto into an agreement with the Company providing for the allotment to them, respectively, credited as fully paid-up, any further shares to which they may be entitled upon such capitalization or (as the case may require) for the payment by the Company on their behalf by the application thereto of their respective proportions of the profits resolved to be capitalised of the amounts or any part of the amounts remaining unpaid on their existing shares.
- c. Any agreement made under such authority shall be effective and binding on all such Members.

ACCOUNTS

88. Books of account

- a. The Board shall cause proper books of account to be kept in respect of sums of money received and expended by the Company and the matters in respect of which such receipts and expenditure take place, of all sales and purchases of goods or services by the Company, and of the assets and liabilities of the Company.

If the Company shall have a branch office, whether in or outside India, proper books of account relating to the transactions effected at such office, shall be kept at that office, and proper summarised return made up to date at intervals of not more than three (3) months, shall be sent by the branch office to the Company at the Registered Office or other place in India, as the Board thinks fit, where the main books of the Company are kept.

Provided that all or any of the books of account aforesaid may be kept, at such other place in India as the Board may decide and when the Board so decides the Company shall within seven (7) days of the decision, file with the Registrar a notice in writing giving the full address of that other place.

- b. All the aforesaid books shall give a true and fair view of the Company or of its branch as the case may be, with respect to the matters aforesaid, and explain its transactions.

89. **Inspection by Members**

The Board shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations, the account books and documents of the Company or any of them shall be open to inspection by the members, and no Member (not being a Director) shall have any right of inspecting any account or books or documents of the Company, except as conferred by statute or authorized by the Board or by a resolution of the Company in general meeting.

AUDIT OF ACCOUNTS

90. **Audit**

Every balance sheet and profit and loss account shall be audited by one or more Auditors to be appointed in accordance with the provisions of the Companies Act.

SERVICE OF DOCUMENTS AND NOTICE

91. **Service of documents on/by the Company**

A document may be served on the Company or an officer thereof by sending it to the Company or officer at the Registered Office of the Company by post, under certificate of posting, or by registered post or by leaving it at the Registered Office.

92. **Service of documents**

- a. A document (which expression for this purpose shall be deemed to include any summons, notices, requisition, process, order, judgement or any other document in relation to the Company or the winding up of the Company) may be served or sent by the Company on or to any Member either personally or by sending it by post to him at his registered address.
- b. All notices shall with respect to any registered shares to which persons are entitled jointly be given to whichever of such persons is named first in the Register and notice so given shall be sufficient notice to all the holders of such shares.
- c. Where a Member has intimated to the Company in advance that document should be sent to him under a certificate of posting or by registered post with or without acknowledgement due and has deposited with the Company a sum sufficient to defray the expenses of doing so, service of the documents shall not be deemed to be effected unless it is sent in the manner intimated by the member.
- d. In the case of a notice of a meeting to a Member who has his registered address in India, the notice deemed to have been validly served at the expiration of forty-eight (48) hours after the letter containing the notice is posted at his registered address and in any other case, at the time at which the letter would be delivered in the ordinary course of post.

93. Service of documents outside India

Notwithstanding anything to the contrary contained in these Articles, the Company shall at the written request of any Member whose registered address is situated outside India:

- a. Serve a copy of any document of notice to such Member at such registered address by prepaid registered airmail; and
- b. Simultaneously send an extract document or notice by telex at telex number or fax at fax number provided by such member.

The cost of sending such registered airmail and telex or fax shall be for the account of the Member concerned who shall from time to time, at the request of the Company, deposit with the Company a sum sufficient to meet the cost thereof.

94. Service on persons acquiring shares on death or insolvency

A document may be served by the Company on the persons entitled to a share in consequence of the death or insolvency of a Member by sending it through post in a prepaid letter addressed to them by name, or by title of representatives of the deceased, or assignees of the insolvent or by any like description of the entitled or (until such an address has been so supplied) by serving the document in any manner in which the same might have been served if the death or insolvency had not occurred.

95. Notice of general meeting

Subject to the provisions of the Act and these Articles, notice of general meeting shall be given:

- a. To the Members of the Company in any manner authorized by these Articles or as authorized by the Act.
- b. To the person entitled to a share in consequence of the death or insolvency of a Member in the manner as provided by these Articles or as authorized by the Act.
- c. To the Auditor or Auditors for the time being of the Company in any manner as authorized by the Act as in the case of any Member of the Company.

96. Notice by Advertisements

Subject to the provisions of the Act, any document required to be served or served by the Company or to the Members, or any of them and not otherwise provided for by these presents, shall be deemed to be duly served or sent if advertised in a newspaper circulating in the district where the Registered Office of the Company is situated.

97. Member's liability to documents given to previous holders

Every person, who by the operation of law, transfer or other means whatsoever, shall become entitled to any share, shall be bound by every document in respect of such share which, prior to his name and address being entered on the Register, shall have been duly served on or sent to the person from whom he derives his title to such share.

98. Signing of notices

Any notices to be given by the Company shall be signed by the Managing Director, if any, or by such Director or Officer as the Board may appoint. The signature to any notice to be given by the Company may be written or printed or lithographed.

AUTHENTICATION OF DOCUMENTS

99 Authentication of documents of proceedings

Save as otherwise expressly provided in the Act or these Articles, a document of proceedings requiring authentication by the Company may be signed by a Director, the Managing Director or an authorized officer of the Company and need not be under its seal.

WINDING UP

100 Distribution of assets upon winding up

If the Company shall be wound up and if the assets available for distribution amongst the Members as such shall be insufficient to repay the whole of the paid-up equity capital or equity capital deemed to be paid-up, such assets shall be distributed so that the losses shall be borne by the Members in proportion to the equity capital paid-up or deemed to be paid-up at the commencement of the winding up, on the shares held by them respectively; and if in winding up, the assets available for distribution amongst the Members shall be more than sufficient to repay the whole of the equity capital paid-up at the commencement of the winding up, the excess shall be distributed amongst the Members in proportion to the equity capital paid-up or deemed to be paid-up at the commencement of the winding up, on the shares, held by them respectively. In the event of winding up, where capital is paid-up on any shares in advance of calls, upon the condition that the same shall carry interest, such capital shall be excluded and shall be repayable in full before the distribution is made on the paid-up capital or capital deemed to be paid-up together with interest at the rate agreed upon. The provisions of this Article shall be subject to any special rights or liabilities attached to any special class of shares forming part of the capital of the Company.

101 Division of assets in specie

If the Company shall be wound up, whether voluntarily or otherwise, the liquidators, may with the sanction of a Special Resolution, divide among the contributors, in specie or kind, any part of the assets of the Company, and may with the like sanction, vest any part of the assets of the Company in trustees, upon such trusts for the benefit of the contributors or any of them, as the liquidators with the like sanction shall think fit, so that no Members shall be compelled to accept any shares or securities whereon there is any liability. In case any shares or securities to be divided as aforesaid involve a liability to call or otherwise, any person entitled under such division to the said shares or securities may within ten days after the passing of the special resolution, by notice in writing direct the liquidators to sell his proportion and pay him the net proceeds, and the liquidators shall, if practicable, act accordingly.

INDEMNITY AND RESPONSIBILITY

102 Right of Directors and others to indemnity

- a. Subject to the provisions of the Act, the Managing, Technical, Executive or whole-time Directors, Secretary, Auditor, Advisor and every officer or employee of the Company shall be indemnified by the Company against, and it shall be the duty of the Company to pay out of the funds of the Company, all properly documented costs, losses, and expenses including travelling expenses which any such Managing, Technical, Executive or whole-time Directors, Director, Secretary, Auditor, Advisor, Officer or employee may incur or become liable to, by reason of any contract entered into or act or deed done by him or in any other way in the discharge of his duties as such Managing, Technical, Executive, or whole-time Directors, Director, Secretary, Auditor, Officer or employee.
- b. Subject as aforesaid the Managing, Technical, Executive or whole-time Directors and every Director, Manager, Secretary or other officer or employee of the Company shall be indemnified against any liability incurred by them or him in defending any proceedings whether civil or criminal in which judgement is given in their or his favour or in which they or he is connected with any application under Section 633 of the Act in which relief is given to them or him by the Court.

103 **Not responsible for acts of others**

- a. Subject to the provisions of Section 201 of the Act, no Director or other officer of the Company shall be liable for the acts, receipts, neglects or defaults of any other Director or Officer or for joining in any receipt or other act for conformity or for any loss or expenses happening to the Company through insufficiency or deficiency of title to any property acquired by order of the Directors for or on behalf of the Company, or for the insufficiency or deficiency of any security in or upon which any money of the Company shall be invested, or for any loss or damage arising from the bankruptcy, insolvency or tortuous act of any person, Company or corporation with whom any moneys, securities or effects shall be entrusted or deposited or for any loss occasioned by any error of judgement or oversight on his part, or for any other loss or damage or misfortune whatever which shall happen in the execution of the duties of his office or in relation thereto, unless the same occurs through his own wilful act or default.
- b. Without prejudice to the generality of the foregoing, it is hereby expressly declared that any filing fee payable on any document required to be filed with the Registrar of Companies in respect of any act done by any Director or other Officer, by reason of his holding the said office, shall be paid and borne by the Company.

104 **Secrecy**

- a. No Member shall be entitled to visit or inspect the Company's work without the permission of the Directors or an officer authorized by the Board or Managing Director, or to require discovery of, or any information respecting, any detail of the Company's business or any matter which is or may be in the nature of a business secret, mystery of trade or secret process, or which may relate to the conduct of the business of the Company and which in the opinion of the Board it will be inexpedient in the interest of the Company to communicate to public.
- b. Every Director, Managing, Technical, Whole-time, Executive Director, Manager, Secretary, Auditor, Trustee, member of a Committee, Officer, Agent, Accountant, Employee or other person employed in the Business of the Company shall if so required by the Board before entering upon his duties, or at any time during his term of office, sign a declaration pledging himself to strict secrecy respecting all transactions of the Company; all technical information possessed by the Company, and the state of accounts and in matters relating thereto, and shall by such declaration pledge himself not to reveal any of the matter which may come to his knowledge in the discharge of his duties, except when required so to do by the Board or by any general meeting or by a Court of Law or by the persons to whom such matters relate and except so far as may be necessary in order to comply with any of the provisions contained in these Articles.

105 ²⁴ **Secretary**

- a. Subject to the provisions of the Act in this behalf, the Board of Directors may from time to time appoint any qualified individual, as the whole time Secretary of the Company to perform duties which may be performed by a Secretary under the Act and any other purely ministerial and administrative duties as the Board of Directors may from time to time assign to the Secretary including the duty to keep the register required to be kept under the Act.
- b. The Board of Directors may at any time appoint a temporary qualified substitute for whole time secretary who shall for the purpose of the Articles be deemed to be the Secretary.

²⁴ Inserted vide special resolution passed at the EGM dated January 13, 2006

We the several persons whose name, descriptions are hereunder subscribed are desirous of being formed into a Company in pursuance to this ARTICLES OF ASSOCIATION

Name, Address, Description and occupation of each Subscriber	Signature of Subscriber	Signature of Witness and his name, address, description & occupation
<p>HARIHARAN VAIDYALINGAM S/o. V. VAIDYALINGAM SHARMA A3-62, MAHINDRA GARDENS, Adj. to PATKAR COLLEGE, S. V. ROAD, GOREGAON (W) MUMBAI - 400 062.</p> <p>OCCUPATION - SERVICE</p> <p>RINSY ANSALAM, S/o. ATHIPOZHAYIL HENRY ANSY ATHIPOZHAYIL HOUSE ARTHINKAL POST CEHRTALA, ALAPUZHA, KERALA - 688530</p> <p>OCCUPATION - SERVICE</p>	<p>Sd/-</p> <p>Sd/-</p>	<p>WITNESS TO SUBSCRIBER NO. 1 TO 2 Sd / -KETAN M. SHAH S/o MAHENDRAKUMAR H. SHAH 12, Damodar Niwas, 32/34, C.P. Tank Road, Mumbai - 400 004 Chartered Accountant</p>

Dated: 17th Day of April 2002

Place: Mumbai

Place : Mumbai

Date : September 19, 2016

Sd/-

Ajay Puri

Company Secretary

बृहन्मुंबई महानगरपालिका

क्रमांक प्रअ/ २०३००/ विनि/२०१६

सूचना

बृहन्मुंबई महानगरपालिकेने त्यांच्या दिनांक ३० ऑगस्ट २०१६ च्या ठराव क्रमांक ८९४ अन्वये अद्ययावत सुधारित महाराष्ट्र प्रादेशिक व नगररचना अधिनियम, १९६६ च्या कलम २३, उप कलम (१) नुसार बृहन्मुंबई महानगरपालिकेच्या अधिकारितेतील नव्याने समाविष्ट केलेल्या क्षेत्रांचा विकास आराखडा तयार करण्याचा त्यांचा हेतू जाहीर करण्याची सूचना प्रकाशित करण्याचे अधिकार महापालिका आयुक्तांना देण्याचा निर्णय घेतला आहे.

खाली दर्शविलेली तीन क्षेत्रे .—

१. बांद्रा-कुर्ला संकुलाच्या अधिसूचित क्षेत्रामधून मीठी नदी व लालबहादूर शास्त्री मार्ग यामधील क्षेत्र (२७.३६५ हेक्टर).
२. बांद्रा-कुर्ला संकुलाच्या अधिसूचित क्षेत्रामधून 'अ' ब्लॉकचे क्षेत्र (४७.३७ हेक्टर).
३. ओशिवरा जिल्हा केंद्राच्या अधिसूचित क्षेत्रामधून स्वामी विवेकानंद रस्त्याच्या पश्चिमेकडील क्षेत्र (३९.३० हेक्टर).

बृहन्मुंबई महानगरपालिकेच्या अधिकारितेतील नव्याने समाविष्ट केलेल्या क्षेत्राकरिता विकास आराखडा तयार करण्याचे प्रस्तावित आहे ते क्षेत्र दर्शविणारा नकाशा पाहणीसाठी जनतेकरिता प्रमुख अभियंता (विकास नियोजन) यांच्या कार्यालयात, महापालिका मुख्यालय, ५ वा मजला, विस्तारित इमारत, महापालिका मार्ग, मुंबई ४०० ००१ येथे कार्यालयीन वेळेत उपलब्ध आहे.

बृहन्मुंबईचा नव्याने समाविष्ट केलेल्या क्षेत्रांचा विकास आराखडा तयार करण्याच्या संदर्भात जनतेकडून शासकीय राजपत्रात सदर सूचना जाहीर झाल्याच्या तारखेपासून ६० दिवसांच्या आत प्रमुख अभियंता (विकास नियोजन) यांच्या कार्यालयात, महापालिका मुख्यालय, ५ वा मजला, विस्तारित इमारत, महापालिका मार्ग, मुंबई ४०० ००१ येथे कार्यालयीन वेळेत सादर करण्यात यावे अथवा 'intention.us23.newarea@gmail.com.' या ईमेल पत्त्यावर सादर करण्यात यावे.

ठराव

या संदर्भातील दिनांक ३० ऑगस्ट २०१६ रोजी क्रमांक ८९४ अन्वये बृहन्मुंबई महानगरपालिकेने मंजूर केलेल्या ठरावाच्या संबंधित उतारा खाली उदघृत केलेला आहे.

महानगरपालिकेला अशी शिफारस करण्यात यावी की, "अद्यावत सुधारित महाराष्ट्र प्रादेशिक व नगररचना अधिनियम, १९६६ च्या कलम २३ (१) अन्वये, आयुक्तांच्या पत्राच्या परिच्छेद ७ मध्ये नमूद केल्याप्रमाणे, बृहन्मुंबई क्षेत्रात नव्याने समाविष्ट केलेल्या (१) बांद्रा-कुर्ला संकुलाच्या अधिसूचित क्षेत्रामधून मीठी नदी व लालबहादूर शास्त्री मार्ग यामधील क्षेत्र (२७.३६५ हेक्टर). (२) बांद्रा-कुर्ला संकुलाच्या अधिसूचित क्षेत्रामधून 'अ' ब्लॉकचे क्षेत्र (४७.३७ हेक्टर). (३) ओशिवरा जिल्हा केंद्राच्या अधिसूचित क्षेत्रामधून स्वामी विवेकानंद रस्त्याच्या पश्चिमेकडील क्षेत्र (३९.३० हेक्टर). ह्या क्षेत्रांचा विकास आराखड्याची पुनर्रचना करण्यासाठी उद्देश जाहीर करण्याच्या अनुषंगाने राज्य शासनाशी पत्रव्यवहार करण्याचे अधिकार, सुचविल्याप्रमाणे आयुक्तांना देण्यात यावेत.

२. उपरोक्त परिच्छेदामध्ये नमूद केलेल्या क्षेत्रांकरिता प्रारूप पुनर्रचित विकास आराखड्याच्या तयारीसाठी उद्देश जाहीर करण्याच्या कामाकरिता, श्री. हिरेन दफ्तरदार ह्यांची अद्यावत सुधारित महाराष्ट्र प्रादेशिक व नगररचना अधिनियम, १९६६ च्या कलम २४ अन्वये नगररचना अधिकारी म्हणून नेमणूक करण्यास सुचविल्याप्रमाणे मंजुरी देण्यात यावी."

अजोय मेहता,

आयुक्त,

बृहन्मुंबई महानगरपालिका.

MUNICIPAL CORPORATION OF GREATER MUMBAI

No. CHE/20300/DP/2016

Notice

The Municipal Corporation of Greater Mumbai under their Resolution No. 894, dated 30th August 2016 as appearing herein have resolved to empower the Municipal Commissioner to publish the notice for declaration of its intention to prepare Development Plan of newly included area from MMRDA SPA Area in MCGM limit, as required under sub-section (1) of section 23 of Maharashtra Regional & Town Planning Act, 1966 of the following :—

1. The area between Mithi River and LBS Marg from the notified area of Bandra-Kurla Complex (27.365 Ha).
2. The areas of 'A' block from the notified area of Bandra-Kurla Complex (47.37 Ha).
3. The area on the west side of S. V. Road from the notified area of Oshiwara District Center (39.30 Ha).

The Plan showing the newly added area within the jurisdiction of Municipal Corporation of Greater Mumbai, the Development Plan in respect of which is to be prepared, is kept open for inspection by the Public in the office of the Chief Eng. (Development Plan), 5th Floor, Municipal Head Office, Annexe Building, Mahapalika Marg, Mumbai 400 001, during office hours.

Any suggestions or objections made by the members of public in respect of the preparation of the Development Plan of Greater Mumbai within a period of sixty days from the date of declaration of this notice in the *Official Gazette*, shall be submitted in the office of Chief Engineer (Development Plan), 5th Floor, Municipal Head Office, Annexe Building, Mahapalika Marg, Mumbai 400 001, during office hours or at the following email id- 'intention.us23.newarea@gmail.com.'

Resolution

Relevant extract of Resolution No. 894, dated 30th August 2016 in this respect is reproduced below :—

The Corporation have resolved to empower the Municipal Commissioner to publish the notice for declaration of its intention to prepare Development Plan of newly included area from MMRDA SPA Area in MCGM limit, as per provisions under sub-section (1) of section 23 of Maharashtra Regional & Town Planning Act, 1966, (1) The area between Mithi River and LBS Marg from the notified area of Bandra-Kurla Complex.(27.365 Ha), (2) The areas of 'A' block from the notified area of Bandra-Kurla Complex (47.37 Ha), (3) The area on the west side of S. V. Road from the notified area of Oshiwara District Center (39.30 Ha) and to make correspondence with the State Government in respect of preparation of Development Plan of above three areas.

2. To appoint Shri Hiren Daftardar as Town Planning Officer u/s 24 of M. R. & T. P. Act, 1966 for the work of inclusion of additional area from MMRDA SPA Area in MCGM limit.

Mumbai,

Dated 26th September 2016.

AJOY MEHTA,

Commissioner,

Municipal Corporation, Mumbai.